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## Ford Hails Reagan, Attacks Mondale; Platform Approved

By David S. Broder  
Washington Post Service

DALLAS — Former President Gerald R. Ford stepped forward at the Republican National Convention to defend the fairness of the administration of President Ronald Reagan, and the convention approved the strongly conservative platform on which Mr. Reagan will seek re-election.

Mr. Reagan's rival for the 1976 presidential nomination entertained convention delegates Tuesday night with a recital of the president's domestic accomplishments and an attack on the Democratic presidential nominee, Walter F. Mondale. Mr. Mondale and other Democrats have accused the administration of being unfair to the nation's poor and minorities at the expense of the wealthy.

"Is it fair to make promises you can't keep?" Mr. Ford asked. "Is it fair to keep promises the country can't afford? That is the Mondale record."

"President Reagan" Mr. Ford continued, "can be proud of his record of reducing inflation by more than two-thirds, the prime interest rate by more than one-third and the misery index by nearly half. That's what I call being fair to everybody."

The "misery index" is the sum of the rates of inflation and unemployment. Mr. Mondale and Jimmy Carter used the phrase in their successful 1976 campaign against Mr. Ford.

The former president was the main speaker at an evening session that also showcased the Republican platform, which was adopted



Gerald R. Ford and his wife, Betty, appearing at the Republican National Convention.

overwhelmingly and without change by voice vote earlier in the day.

(One of the few who shouted "no" in the voice vote was Maureen Reagan, the president's older daughter. She told The Associated Press that she had voted against the platform because party conservatives "refused to accept those of us who believe in the Equal Rights Amendment.")

The document, written by Representative Trent Lott of Mississippi and a group of young conservatives led by Representative Jack F. Kemp of New York, rules out a tax increase next year, promises further tax reductions and strikes an uncompromisingly conservative tone on social and foreign policy issues.

Mr. Kemp presented the foreign policy plank with a slashing attack on the Democratic Party.

"Millions of Americans no longer feel at home in a party whose leaders see no difference between the Soviet invasion of Afghanistan and the American liberation of Grenada... a party whose leaders shun the task of cultivating democracy in the hard soil of Central America," he said.

"The leaders of the Democratic Party aren't soft on communism," Mr. Kemp said. "They're soft on democracy."

In an afternoon press conference, Vice President George Bush also praised the Reagan foreign policy record in generous terms. He said the deaths of more than 200 U.S. Marines in Lebanon had been "a tragedy but not a shame," asserting that "a lot of lives" had

## Weizman Joins Peres in Accord On Israeli Rule

By Glenn Frankel  
Washington Post Service

JERUSALEM — Ezer Weizman, a former defense minister and now the head of a small political party, agreed Wednesday to join an Israeli government headed by the Labor Party leader, Shimon Peres. The decision brought the country's monthlong electoral impasse closer to resolution.

Mr. Weizman said that he still preferred a broad-based national unity government that would include both Labor and its main political rival, the Likud bloc. But he added that if such a coalition proved impossible, he would enter a narrow-based Labor government led by Mr. Peres.

The agreement, which reportedly followed a five-hour overnight session between Mr. Weizman and Mr. Peres, leaves Labor at least six seats short of a clear majority in the 120-member Knesset, the parliament. Mr. Weizman's Yahad Party holds three seats.

But the agreement gives Mr. Peres an advantage because six other seats belong to leftist political parties that, while not allied to Labor, are unlikely to support a no-confidence vote sponsored by the right-leaning Likud.

Equally important, Mr. Weizman's move effectively blocks the Likud from any possibility of forming a 61-seat majority. It thus undermines the Likud's unspoken strategy of stalling on talks about a unity government in the hope of



Ezer Weizman

eventually putting together a Likud-led majority.

Mr. Weizman said he hoped his move would help break the electoral deadlock that began a month ago when both major political blocs fell far short of a ruling majority in parliamentary elections. Labor then won 44 seats and Likud 41.

"I still think a national unity government is the best solution for the rough situation we are in," Mr. Weizman said.

Likud leaders reacted bitterly to Mr. Weizman's decision, saying the former defense minister under Likud had sold out his supporters in return for promises of an important cabinet post and a high place on the Labor ticket in the event of new elections. Mr. Peres is said to have offered Mr. Weizman his choice of either the Foreign or Finance ministries.

Mr. Weizman resigned as defense minister in 1980 after sharp differences with the government over the Likud's hawkish stance toward the West Bank and peace negotiations with Arab nations.

Prime Minister Yitzhak Shamir, the Likud leader, who met with Mr. Weizman Wednesday morning, said he and Mr. Peres had engaged in "a nighttime maneuver" that would prove to be an obstacle to the formation of a national unity government.

Other analysts believe the Weizman decision may force the Likud to scrap its present strategy and seek a successful conclusion to negotiations with Labor for a joint

## The Reagan Scorecard: More Hits Than Misses

By Robert Pear  
New York Times Service

WASHINGTON — In three years, President Ronald Reagan has achieved much of what he promised: curbing inflation, stimulating economic growth, reducing the role of the government, limiting access to social welfare programs.

In his inaugural address, Mr. Reagan promised to end what he called "an economic affliction of great proportions." The U.S. economy is now growing faster, with less inflation, than at any time since the early 1960s. Its vigor has surprised forecasters in and out of the government.

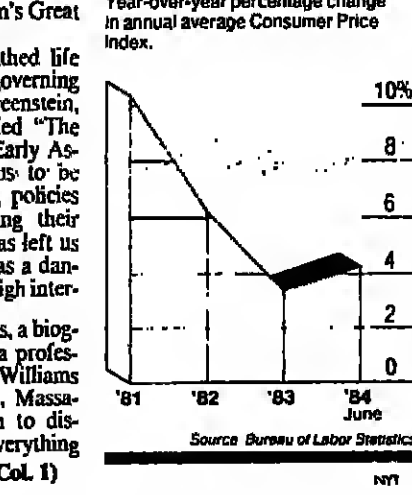
But improvements in the economy in large have left many individuals untouched. For some voters, the importance of such gains will be outweighed by dissatisfaction with specific aspects of Mr. Reagan's domestic policies. He has challenged a bipartisan consensus on civil rights developed over 20 years.

He tried to shift the emphasis of environmental policy from protecting natural resources to developing them. His administration, acting under a congressional mandate to review the Social Security disability rolls, has cut off benefits for thousands of people who were later found to be disabled and entitled to benefits.

Another line from Mr. Reagan's inaugural address recalls a goal that remains unfulfilled. "For decades," he said in 1981, "we have piled deficit upon deficit, mortgaging our future and our children's future for the temporary convenience of the present." Far from reducing or eliminating the deficit, Mr. Reagan's policies, especially a three-stage tax cut, contributed to an increase in the deficit. It reached a record of \$195 billion in the 1983 fiscal year, up from \$59.6 billion in 1980.

Fred I. Greenstein, a professor of politics at Princeton University, in New Jersey, said Mr. Reagan's initial success in putting his programs into practice was "startlingly impressive." In this respect, he said, Mr. Reagan's first year was reminiscent of Franklin D. Roosevelt's first 100 days and the first

## Inflation Rate



## U.S., in a New Dispute With Greece, Criticizes Canceling of Military Games

By Bernard Gwertzman  
New York Times Service

WASHINGTON — The United States has criticized Greece for canceling without warning a planned military exercise with U.S. troops in northern Greece that has been held regularly for 20 years.

The incident was the latest in a series between the two NATO allies that has produced considerable irritation in Washington with the Socialist government of Prime Minister Andreas Papandreu. In recent weeks there had been signs that Mr. Papandreu was trying to ease tensions between the two countries.

The military exercise that was canceled was known by the code name Zeus. It was to have taken place in the Greek port of Macedonia from Sept. 1 to 15, and was to involve about 200 American troops along with Greek forces.

It has been held every two years for the last 20 years, U.S. Defense Department officials said. On Monday the Greek government spokesman, Dimitrios Maroudas, announced in Athens that Mr. Papandreu, who is also defense minister, had permanently canceled the maneuvers.

In explaining the decision, Mr. Maroudas was quoted by Athens radio as saying that because the North Atlantic Treaty Organization had refused to recognize "Turkey's provocativeness and aggressiveness," the Greek government saw no point in holding maneuvers to deal with a possible Soviet-bloc threat from the north when "the existing danger to our country comes from the east."

"Maneuvers in Greek territory that do not provide any experience for confronting the country's visible danger are meaningless," the spokesman said.

On Tuesday, Alan D. Romberg, a U.S. State Department spokesman, complained that Greece had informed Washington of its decision to cancel the exercise after it had made the public announcement. He added that the United States disagreed with the reasons cited for the cancellation and regretted the Greek decision.

In addition to ending the Zeus maneuvers, Greece also said it would again not take part in the NATO air, naval and land exercises in the Aegean Sea from Sept. 17 to Oct. 20. A Greek spokesman said his country would not take part because NATO refused to hold maneuvers around the Greek island of Limnos, which Turkey contends is a demilitarized zone.

But Greece will participate in another NATO naval exercise in the Mediterranean.

Mr. Papandreu came to office with a pledge to end the U.S. military presence in Greece. He has agreed to the extension of U.S. air base rights but has sought to distance Greece from some of NATO's major policies. He has insisted that Turkey, a NATO member, poses more of a threat to Greece than does the Soviet Union.

In recent weeks, senior U.S. officials have complained that Greece was lax in dealing with international terrorism and had failed to bring an accused terrorist to trial. The Papandreu government was also accused of backing a lengthy strike at U.S. air base facilities. The strike was settled earlier this month.

The United States has also charged the Papandreu government with adopting an anti-American stance. It has criticized U.S. policies on arms control and Central America, while refusing to do the same with regard to Soviet actions in Afghanistan and Poland.

The Greeks have been seeking 16 old U.S.-made F-5 jets that Norway no longer needs. However, the Reagan administration has delayed giving permission for the transfer, in an apparent show of unhappiness with the Greek government. Mr. Papandreu has said that Greece would spend about \$3 billion to modernize its air force, by seeking to buy either the U.S. F-16, F-18, or French Mirage 2000. The Turks have been allowed to buy 160 F-16s.

## Second Loan to Zaccaro Company From Estate Is Disclosed

By Jeff Gerth  
New York Times Service

NEW YORK — John A. Zaccaro made a second loan, for \$75,000, from an estate he manages as a court-appointed conservator to the real estate management company owned by him and his wife, Geraldine A. Ferraro, according to an attorney for the couple.

Ms. Ferraro, the Democratic vice-presidential candidate, declined at a press conference Tuesday to discuss dealings between the estate and the company. She cited a court hearing to be held Thursday concerning an earlier \$100,000 loan from the estate.

The New York congresswoman has said she learned of the \$100,000 loan only recently, several months after her husband was cautioned by a court referee about a possible impropriety.

Ms. Ferraro said at the press conference that she had not known about the business activities of the management company, although she owns a third of it and has been an officer and director. Mr. Zaccaro operates the company.

The \$75,000 loan came to light Monday when Ms. Ferraro filed a required financial disclosure statement with the Federal Election Commission. The report shows that the P. Zaccaro Co. borrowed from \$50,001 to \$100,000 on Feb. 6 from the estate. The report also shows that the loan was repaid on March 27, two weeks after the company paid back the \$100,000 loan, which was made last October.

The P. Zaccaro Co. borrowed the money from the estate of Alice Phelan, 84, whose assets have been managed by Mr. Zaccaro since 1982.

Merton Povman, an attorney for Mr. Zaccaro, has said that the first loan was paid back with 12-percent interest.

The same rate of interest was paid on the second loan, according to Melvin Schweitzer, an attorney and adviser to Ms. Ferraro's campaign.

According to Mr. Povman, the value of Mrs. Phelan's estate has increased from about \$700,000 to \$1.1 million while Mr. Zaccaro has been conservator.

The 100,000 loan came to the attention of the court-appointed referee, Jonathan A. Weinstein, during a routine review of the estate's affairs, for 1983. Mr. Weinstein raised questions in a report May 29 that said in part, "The propriety of this conduct will be referred for judicial determination."

The report, which led to Thursday's hearing in state Supreme Court, does not deal with the \$75,000 loan. The hearing in Queens will be before Justice Edwin Kassoff, who could reimpose or remove Mr. Zaccaro as conservator if he is found to have abused his fiduciary position.

On the basis of published reports, a spokesman for the Queens district attorney expressed doubt that any crime had been committed.

"It's doubtful that the judge will find there's a crime or any intent of defrauding," said the spokesman, Leo Meindl, because the value of the estate increased under the conservator's stewardship and the \$100,000 loan was listed in an accounting filed with the court.

Under estates and trusts law in New York, it is a misdemeanor for any fiduciary, such as a conservator, to commingle the assets of an estate with personal property. According to Mr. Povman, however, when Mr. Zaccaro cashed \$100,000 in money-market funds held by the Phelan estate and lent the money to the P. Zaccaro Co., he placed a promissory note for the money in the official record.

A Queens County administrative judge, Francis X. Smith, said new guidelines would be issued to guard against potential conflicts such as those raised by Mr. Zaccaro's role.

Mr. Schweitzer said in an interview that the P. Zaccaro Co. had needed both loans because it ran short of cash.

He said the problem was caused by an extraordinary transaction in which the company, in the course of its brokerage business, had to make a large financial commitment. He said this had weakened the rest of the company's business, which is the management of properties and buildings.

Mr. Schweitzer said both loans from the estate to the Zaccaro company were repaid after the referee called to Mr. Zaccaro's attention

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## TOMORROW

The season is approaching for Britain's venerable and durable entertainment — pantomime. Mary Blake talks to the King of Fanto, the writer-producer John Morley. Weekend.

## South Africans of Mixed Race Vote

JOHANNESBURG — South Africans of mixed racial backgrounds went to the polls Wednesday to elect members to a new Parliament, amid nationwide protests and classroom boycotts by opponents of the political changes, which exclude blacks.

Observers are watching voter turnout as a referendum on acceptance by mixed-race South Africans of the country's new constitution. Balloting was light at many polling stations but others reported heavy turnouts.

Allan Hendrickse's Labor Party is expected to win most of the 85 seats in the mixed-race house and become the country's first non-white cabinet minister.

Under the new constitution, people of mixed race and Indians will have a direct voice in national politics for the first time, with a chamber in Parliament for each group. However, the existing chamber representing whites, with 178 members, will be able to outvote the two other houses. There will be 45 seats in the Indian chamber, which will be filled when the Indians vote on Tuesday.

A political analyst said a turnout of more than 40 percent of the 900,000 registered mixed-race voters would represent a victory for the government, while less than 20 percent would mean its policy had been repudiated.

Opponents of the white government have called for a boycott by voters, arguing that the new system further entrenches white minority domination and apartheid policies of racial separation.

Under government policy, South African blacks must exercise their political rights in tribal homelands, to which many people have been forcibly moved. South Africa has 2.6 million citizens of mixed race, 23 million blacks, 4.7 million whites and about 870,000 Indians.

Early Wednesday, two gasoline bombs were hurled at the home of a candidate near Cape Town, causing damage but no injuries.

Police followed up a harsh clampdown, begun Tuesday, on opponents of the new constitution with the arrest of more than 50 persons for staging protests, allegedly intimidating voters and other offenses, according to reports from throughout the country.

The anti-apartheid United Democratic Front, a two-million-member multiracial group that is leading the boycott campaign, said about 40 of its members or supporters had been detained.

Less than a fifth of the country's 780,000 mixed-race pupils attended schools Wednesday, according to education officials. The rest stayed home to protest the elections.

Students at many universities were also on strike. At Rhodes University in Grahamstown, 75 miles (120 kilometers) from Port Elizabeth, police arrested 18 protesting students, witnesses reported.



**Ex-Argentine General Pulls Knife on Hecklers**

Luciano Benjamin Menendez, a retired general accused of sanctioning killings during the military dictatorship that ended last year, being restrained by bodyguards after he drew a knife on hecklers shouting "assassin" as he left a Buenos Aires television station. Until 1979, when he was removed for leading a mutiny against what he viewed as laxness on subversion, he was the commander of the Third Army Corps in Córdoba. Many civilians disappeared from that city, Argentina's second largest, during eight years of military rule.



# Experts Examine U.S.-Soviet Pitfalls and Long-Range Effects

By Leslie H. Gelb  
New York Times Service

WASHINGTON — With the prospect that the United States next year will have either a second-term Republican president with new flexibility in international affairs or a new Democratic president with different ideas about international affairs, experts on Soviet affairs in and out of government are beginning to turn their thoughts to what might be.

The attitude among professionals in the Reagan administration is generally upbeat as they look beyond the turmoil caused by President Ronald Reagan's offhand remarks about "bombing" Russia.

Many believe, as does Helmut Sonnenfeldt of the Brookings Institution, an adviser to the Reagan team, that "Mr. Reagan feels he has a stronger hand to play now and can afford to be more flexible" in dealing with Moscow. They take heart, too, from statements by Walter F. Mondale, the Democratic presidential nominee, that he looks toward improving relations.

But several officials and analysts worry that the best of intentions will not be enough. To them, there is a minefield of potential problems ahead that could be hard to skirt.

As they look to the next administration, these experts see buried just beneath the surface of Soviet-American relations at least three potentially explosive possibilities: More ill could befall the detained Soviet

physicist, Andrei D. Sakharov; the trial of Mehmet Ali Agca in Italy could point to a Soviet connection in the attempted assassination of Pope John Paul II; and allegations of Soviet cheating on arms control agreements could turn into proof.

Should any of these take place, under either a Republican or a Democratic administration, the sense among many of the specialists is that the effects could last longer and be of greater consequence than such major shocks of the past as the Soviet invasions of Hungary in 1956 and Czechoslovakia in 1968 and the intervention in Afghanistan in 1979.

In each of those cases, the immediate effect was a sharp deterioration in Soviet-American relations. But after a year or so, that was offset and overcome by powerful domestic political pressures to improve relations.

For example, such pressure grew so strong a year after the Afghanistan intervention that Mr. Reagan entered negotiations with Moscow on medium-range nuclear forces in Europe. This was only weeks after martial law was declared in Poland.

"Once the shock wore off," a top State Department analyst recalled, "people here and in Europe got frightened about war with the Soviet Union, especially nuclear war, and wanted to do something about it."

In addition, a number of analysts said the interventions in Hungary, Czechoslovakia and Afghanistan,

while inexcusable, were nevertheless understandable in the context of international power politics. "Americans don't like these naked displays of power," the State Department analyst said, "but we have learned that Moscow will use force to maintain control of countries on its borders."

But, as Soviet affairs experts in Washington see it, should something serious happen to Mr. Sakharov or should the Russians be undeniably implicated in the attempted assassination of the pope or in cheating on arms treaties, such actions would be considered unnecessary and gratuitous.

"They would have a powerful symbolic and psychological impact," said Dimitri Simes of the Carnegie Endowment for International Peace.

Mr. Sakharov, one of the fathers of the Soviet hydrogen bomb, became a widely recognized peace activist before he was imprisoned. If he were to die in custody or appear to testify against himself in a "show trial," American liberals as well as conservatives would almost certainly join together in common fury, in the judgment of Mr. Simes and many others.

If Moscow were in any way implicated in the attempt on the pope's life, they say, that would almost certainly be seen as going well beyond the demands of power politics.

If charges of Soviet cheating on arms control pacts were to be substantiated, the experts added, there

would be serious doubts about whether Moscow really shared the view that these treaties were for the purpose of reducing the risks of nuclear war. The experts said it would probably make congressional approval of future treaties next to impossible.

For Mr. Sonnenfeldt, putting the pieces of the Soviet-American relationship back together after these developments would be compounded by what he sees as continuing lack of "coherence and stability" in Soviet leadership. For Mr. Simes, that problem is not so much the inability of Soviet leaders to patch things up as it might be their unwillingness to do so.

Not everyone agrees with all this. A State Department expert, recalling the Soviet downing of a South Korean commercial airliner last year, said: "The administration said that the Soviets were horrible, but didn't overreact and tried to get back to business. And six months later, we were dealing with each other again. The main pressures will run in the other direction, not toward seeing how far you can push the Russians."

Still, the more general concern of Soviet watchers here seems to be that for the last six years one tense moment has been followed by another. It has been difficult to gather momentum for improving relations and any future incidents would make it even more difficult.

## WORLD BRIEFS

### Thais Reject Lawsuit on Jet Downing

BANGKOK (AP) — A Thai civil court has rejected a lawsuit against the Soviet defense minister, Marshal Dimitri F. Ustinov, filed by a woman whose son was one of the 269 people killed when a Korean Air Lines jet was downed by a Soviet fighter plane Sept. 1, a court spokesman said Wednesday.

Siem Sae Ung named Marshal Ustinov as one of three defendants in the suit, which was rejected Tuesday by a judge who ruled that the court lacked jurisdiction because none of the defendants lived in Thailand, the spokesman said.

The mother was seeking compensation equivalent to \$870,000. The lawsuit contended that Marshal Ustinov, the pilot of the Soviet fighter and the pilot's commanding officer were responsible for the death of her son, Somchai Fakomodom, an associate professor at an engineering college.

### Coup Charge Brings Liberia Boycott

ABIDJAN, Ivory Coast (Reuters) — Students at the University of Liberia have been boycotting classes following the arrest of a professor who has been accused of plotting to overthrow the Liberian leader.

Samuel K. Doe, university sources said Wednesday. The university authorities have demanded the release of the professor. Amos Sawyer, Monrovia radio reported, Mr. Doe warned that they would be held responsible for any student disturbances. University faculty, meanwhile, expressed doubt about the charges, saying that Mr. Sawyer, a political science professor, and George Kieh, a lecturer, had "demonstrated strong dedication" to an "orderly and peaceful return to democratic civilian rule."

Mr. Sawyer formed the Liberia People's Party to contest elections that have been scheduled for October 1985. He, Mr. Kieh and two colonels were arrested last Saturday. Monrovia radio said Tuesday that Mr. Sawyer and his supporters had planned bomb attacks and mass arrests of citizens to install a socialist government with the aid of foreign countries.

### Striking U.K. Miners Attack 3 Towns

LONDON (AP) — Striking coal miners besieged the northern English villages of Armthorpe, Bentley and Edlington, all in the South Yorkshire coal region, on Wednesday after small groups of rebel miners crossed picket lines, police said.

A police spokesman said that Armthorpe was sealed off to protect the public when some of the 1,000 or so pickets looted stores, hurled stones and other objects at passing vehicles and commandeered cars, setting them on fire to form barricades.

More than 1,000 additional miners have defied picket lines in recent weeks in response to a back-to-work campaign by the National Coal Board, but they represent only a fraction of the more than 100,000 miners in the work force of about 180,000 who the National Union of Mineworkers says remain on strike.

### 50 Strike at U.K. Intelligence Center

LONDON (AP) — A group of technicians at an intelligence-gathering center where the British government has imposed a ban on labor unions have staged a three-hour strike over a pay dispute, officials said Wednesday.

The 50 strikers are among the vast majority of the 7,000 intelligence workers at the Government Communications Headquarters at Cheltenham, in southwest England, who agreed in March under government pressure to renounce their membership in unions.

Prime Minister Margaret Thatcher said the ban at the facility, which monitors Soviet communications, was necessary for national security. The technicians, who stopped work Monday to protest management plans to restructure their pay grades, have threatened further action if their grievances are not resolved.

### Pakistan Renews Charge of Shelling

ISLAMABAD, Pakistan (Reuters) — Pakistan accused Afghanistan on Wednesday of shelling a Pakistani frontier post, killing three people, in the latest attack in a series of cross-border shootings that have claimed at least 51 lives.

A government statement said the Afghan Army shelled Teri Mangal, about 100 miles (160 kilometers) west of the North-West Frontier Province capital of Peshawar, on Tuesday, for the fifth time since Aug. 13.

The three victims and five others injured were all Afghan refugees, it added. Pakistan and Afghanistan are to reopen indirect peace talks in Geneva on Friday.

### Australia to Aid Military in 4 Nations

CANBERRA, Australia (AP) — Papua New Guinea, Indonesia, Thailand and the Philippines will receive assistance from Australia's new military aid grants, the Australian government Tuesday.

The announcement said that of \$41 million in foreign military assistance, the two biggest grants will go to Papua New Guinea, about \$15 million, and Indonesia, about \$8.5 million.

The aid "is a practical expression of Australia's interest in regional security and to promote contacts with governments and the defense forces of countries with which Australia shares strategic interests," a government statement said.

### 'Solidarity Holiday' Urged for Poles

WARSAW (Reuters) — Underground leaders of the banned Solidarity trade union have urged Poles to show their support for the movement on its fourth anniversary this month, but they have avoided calls for street demonstrations.

A message signed by all five members of Solidarity's clandestine provisional coordinating commission, known as the TKK, and made public on Wednesday said the Aug. 31 anniversary "will be Solidarity's holiday."

It is the first time since Solidarity was suppressed that the TKK has urged its supporters to mark a major anniversary by challenging Poland's communist authorities in the streets. Sources said the restraint, following the release of senior Solidarity activists from prison under a political amnesty, was deliberate while the union ponders its strategy.

### Libya Hints at U.K. Role in Murder

LONDON (AP) — Libya has said that British government involvement cannot be ruled out in the murder of a Libyan businessman who was found shot to death this week in a London apartment. The businessman, Ali el-Ghahour, had been charged with planning bombings directed at opponents of Colonel Muammar Qadhafi, the Libyan leader.

A dispatch issued Tuesday by the official Libyan news agency, IANA, quoted the Libyan External Relations Bureau in Tripoli as saying that the lives and safety of Libyan citizens in Britain. The circumstances of the crime, which cost the life of Ali el-Ghahour, do not rule out the possibility of the British government's involvement in this act.

London police reported the discovery of Mr. el-Ghahour's body early in the week. "We're not saying anything about the Libyan connection at this stage," a Scotland Yard press officer said, "but we do believe el-Ghahour was lured to the flat by his assassin." The victim was one of two Libyans accused of plotting three bombings in which 26 people were injured. He was released on bail in June.

### Group Says Kenya Killed Herdsmen

GENEVA (Reuters) — The Anti-Slavery Society for the Protection of Human Rights says that Kenyan security forces killed 300 to 1,400 ethnic Somali herdsmen earlier this year in northeastern Kenya.

Peter Davies, director of the London-based society, which seeks to protect indigenous ethnic groups against slavery or other discrimination made the charge Tuesday at a hearing of a United Nations panel on the Degodia clan, were rounded up in February and taken to the airstrip at Wagalla, near the border with Somalia.

They were subjected to three days of torture, he said, and at night the dead and wounded were abandoned in the bush. Mr. Davies said the government's explanation for the roundup was that it was trying to persuade the herdsmen to give up guns they had been stocking for a feud with another Somali clan. He said the government had acknowledged only that 29 internees had died.

### For the Record

China and Britain said their 21st session in formal talks on the future of Hong Kong, which ended Wednesday, was "useful and constructive." Negotiations on the future of the British colony were to convene again Sept. 5.

Sixty-four people were injured, none seriously, on Tuesday, when sections of benches collapsed under a circus tent in Manosque, France, sending hundreds of people plunging to the ground, rescue officials said Wednesday.

The president of Bourkina Faso (formerly Upper Volta), Captain Thomas Sankara, has decreed that most members of the government he dissolved Sunday will work as foremen on building sites. (Reuters) Prime Minister Bob Hawke of Australia said Wednesday that he will announce the date of an early general election as soon as possible. (AP)

## Democrats at Dallas Convention? They Are Only Doing Their Jobs

Compiled by Our Staff From Dispatches

DALLAS — There are Democrats at the Republican National Convention, but they aren't mingling with delegates or attending the gala evening receptions. They have been found washing dishes, preparing meals, shining shoes and picking up the mountains of trash left in the convention center.

George McGiboney, who earns \$3.35 an hour hauling trash out of the Dallas Convention Center said: "These delegates are going on tours in Southfork to see where J.R. lives, but they ought to take a tour in Skid Row and the mission where the poor are."

Benjamin Ballard, who shines shoes at the convention center, said

that despite the Republican Party's reputation as the party of the wealthy, his tips haven't reflected it.

"So far they have surprised — no, make that disappointed — me," Mr. Ballard said. "I thought the

### CONVENTION NOTEBOOK

Grand Old Party had all the money. How are tips? Bad, cause there aren't any."

Added Richard Clark, who also shines shoes: "A guy came by yesterday and said he wanted his shoes shined but said he only had a \$100 bill. I said, 'Man, I'm a shoeshine boy, not a bank teller.'" (Dallas Times Herald)

Of all the forms of political power, money can be the most breathtaking. Over breakfast Tuesday, there was fervor in the voice of Joe M. Rodgers, chairman of the Reagan-Bush Finance Committee, as he gave an accounting of record success. The committee, he said, had drafted and pruned a myriad of political donor lists into a single master list of 2.1 million names. The result was that in only five months party officials had harvested \$26 million from the new list, a record.

The Democrats' trademark tune, "Happy Days Are Here Again," which nearly disappeared from their disco-ridden convention in San Francisco last month, is being boomed forth regularly by the Republicans. Each day's rostrum program features an appearance by one or two Democratic defectors to the Reagan cause, and they walk out to the rival party's neglected theme.

For Vice President George Bush, the gender gap has taken on a new meaning.

At a press conference Tuesday, he pointed to take a question from "that woman in the second row." There was no immediate response. "Right here, this lady," he said. Still no response.

"I mean that woman, next to the guy in the blue shirt," he said. Then, amid an explosion of laughter from the press corps, the reporter stood up.

"It's a he," Mr. Bush said, his face reddening.

The reporter, David Hetherly, 29, from The Alternative Press of Buffalo, New York, has shoulder-length blond hair.

"You know, it's the whole Republican concept," Mr. Hetherly said. "They think you have to have a haircut to fit in."

About 350 punk rockers opened their musical demonstration against Republican policies outside the Dallas Convention Center, steps away from 150 members of two adversary Iranian groups and one block from 250 "Concerned Christians For Reagan" who vowed to show "there are normal people here."

It was so noisy at the convention's designated protest area that police officers took heart that members of two Iranian groups who traded blows Monday night were unable to hear each other.

Wednesday's events at the Republican National Convention will include:

Renomination of President Ronald Reagan and Mr. Bush. The president will not appear, according to Larry Speakes, the Reagan spokesman.

Speeches by Senators John G. Tower of Texas and Barry Goldwater of Arizona.

Ceremonies will include Charlton Heston, the actor, leading the pledge of allegiance. Wayne Newton singing the national anthem and Roger Staubach, the former Dallas Cowboys quarterback, introducing a tribute to the president's wife, Nancy.



Valdo Randpere, his wife, Leila Miller, and their daughter, Kaisa.

### Estonian Defector Says He Feared Afghanistan Service

Reuters

STOCKHOLM — A Estonian official who defected to Sweden said Wednesday he left because of the repressive atmosphere in Estonia and his fear of being sent on military service to Afghanistan.

Valdo Randpere, 26, a former assistant to the Estonian minister of justice and a Communist youth leader, said that he and his wife, Leila Miller, a singer, planned their escape from two years. They arrived in Sweden Aug. 6.

They left their 13-month-old daughter, Kaisa, in Estonia and appealed to Soviet authorities to let her join them in Sweden.

The couple reached Sweden by ferry from Finland, where Miss Miller, 22, had been singing at a festival. Mr. Randpere said they went to Sweden because Finland usually returns defectors from the Soviet Union.

They left Estonia Aug. 2, the day after, he said, the Kremlin ordered a crackdown on Estonian nationalism. "The main reason for the decision to escape

was the general atmosphere in Estonia," Mr. Randpere said. He added he would be 28 next year, the maximum age for military draft, and he feared being sent to Afghanistan, as many Estonians were.

Mr. Randpere said he was an assistant to the justice minister from November 1981 to October 1983 in charge of publications. From October 1983 until his defection he was an instructor in the propaganda and culture section of the Komsomol, the Communist youth organization.

## Russian Units Continue to Penetrate Swedish Coastal Waters, Jane's Says

The Associated Press

LONDON — Elite Russian commando units operating from submarines or converted merchant ships are continuing to penetrate neutral Sweden's territorial waters "in flagrant contravention of international law," according to the editor of a naval publication.

The units, according to Captain John Moore, editor of Jane's Fighting Ships, are "trained in the techniques of raiding, sabotage, reconnaissance and political murder" and are operating all along the Swedish coastline.

The 1984-85 edition of the yearbook is to be published Thursday, by a forward by Captain Moore, a retired British naval officer who directs the compilation of reference material on navies around the world.

Operations along the Swedish coast by unknown foreign craft have been of major concern for several years in Sweden, and in October 1981, a Soviet Whiskey class submarine, the U-137, went aground off Karlskrona. The submarine was refloated and the Soviet Union apologized, saying there had been a navigational error.

The last official Swedish report on activities of "unidentified alien" vessels concerned incidents in February and March.

Captain Moore's account of what he said were the "unabated" Soviet incursions was among the most detailed and specific versions that have been published. He said

his information came from "Swedish sources," whom he declined to name, and from his own research.

He wrote that while the Russians attend the Conference on Disarmament in Europe, which began in Stockholm in January, "only a few miles away Soviet penetration of Swedish territorial waters continues unabated."

"As the talks meander on, so Soviet submarines and converted merchant ships are landing reconnaissance parties from the Kronstadt-based Spetsnaz units throughout the Swedish coastline," Captain Moore wrote.

Kronstadt is near Leningrad.

The Spetsnaz units, Captain Moore wrote, are intruder or commando-type forces that include "assault swimmers, some of whom are defectors of nationals of the country being visited."

"Over 20 years," he added, "the Soviet Navy has no doubt built up a formidable dossier covering such targets as air, naval and communication bases, fixed artillery and mine defenses, beach exits, as well as the easiest routes from the Stockholm area to the southern Norwegian border. Outflanking the defenses in the western Baltic must seem a most desirable objective in the event of war."

### Peru Purges 10% of Its Police For Criminal Actions, Abuses

The Associated Press

LIMA — Interior Minister Luis Perovich Roca said Peru has purged 10 percent of its police force because of criminal activity and abuse of authority. Mr. Perovich said that 644 police officers had been dismissed and 5,168 face trial.

Critics have blamed the police and military for the disappearance of hundreds of suspected leftists during a recent campaign against the leftist Shining Path guerrillas, who are active in the Peru's rugged Andean regions.

Mr. Perovich did not mention rights violations at a press conference Monday, but he said the purge "shows we are acting with firmness." He said "every police excess will be punished."

Charges against the officers include drug trafficking, smuggling and robbery, Mr. Perovich said.

Almost 400 people have been reported killed in guerrilla warfare since the rebels increased their attacks two months ago and the government of President Fernando Be-

laurde Terry gave the armed forces greater powers to combat them.

But the methods used to fight the rebellion have brought complaints of brutality. The attorney general's office in Ayacucho, the guerrillas' base, has received more than 800 petitions from people saying that members of their families had disappeared after being picked up by military or police units.

The guerrillas also are blamed for killing hundreds of civilians in their battle to impose a Chinese-style government in Peru. Last week, the government organized a demonstration in the Cuzco district to show support for Brigadier General Adrian Huaman, who commands 4,000 soldiers and police in the Ayacucho region.

### Insurgent Is Sentenced To Death by Afghans

Reuters

MOSCOW — The Iranian-trained leader of an Afghan guerrilla group was sentenced to death at a recent trial in Kabul, the Soviet government newspaper Izvestia reported Wednesday.

The guerrilla, Abdul Kuddus, 35, was convicted of attacking government buildings and convoys in and of killing at least six soldiers and five civilians. He was active near the Soviet border, Izvestia said.

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## The Reagan Record: Plus and Minus

(Continued from Page 1)

Reagan does, but in terms of presidential leadership and skill, he would have to be considered one of the stronger presidents of the past century.

Republicans say the economy is in better shape than it was four years ago. Inflation is down. The Consumer Price Index, which rose 12.4 percent in 1980, the last year of the Carter administration, rose just 3.8 percent last year, and it rose at an annual rate of 4.1 percent in the first half of this year.

In the process, the United States went through a deep 16-month recession. The unemployment rate reached a 40-year high of 10.6 percent in the final months of 1982, when nearly 12 million people were out of work, but it has now declined to 7.4 percent, about the same level as when Mr. Reagan took office.

Median family income rose slightly last year, even after adjustment to account for inflation. But the purchasing power of such income was 3 percent less than the purchasing power of the median family income in either 1975 or 1980. And the national poverty rate reached its highest level in 18 years in 1983.

What follows is a summary of Mr. Reagan's record in key areas.

### Budget

He has reduced the rate of growth in social spending and sharply increased military spending, with the support of some Democrats in Congress. He has, moreover, fundamentally altered the terms of public debate. The usual question now is not whether to cut back social programs but how much.

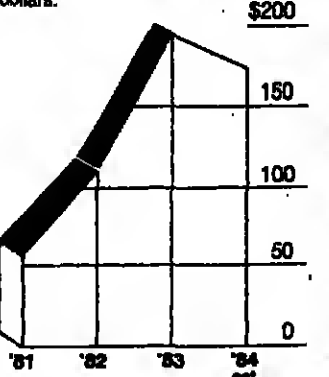
Mr. Reagan's last budget said there had been a "dramatic halt in domestic spending growth." While this is true, administration officials and their opponents tend to overstate the extent of the changes. Mr. Reagan wants to magnify his success in gaining control of the budget, while his critics want to convince voters that the changes have caused suffering and deprivation.

The effects might have been more dramatic if Congress had approved all of Mr. Reagan's budget proposals. Administration officials say they got slightly more than half the budget reductions they sought. Mr. Reagan has repeatedly said that he reduced only the rate of growth of social spending, not the actual level. For some programs, including Medicaid and Social Security, this is true. But it is not true with respect to housing or job training, for in these programs and others, actual spending authority was reduced.

The president attributes the vibrancy of the economy, in part, to the 1981 tax cut, a cornerstone of his economic program. Less than half the revenue lost as a result of the tax cut has been made up through savings in domestic social programs. During the last three years the increase in interest payments on the federal debt exceeds all the savings Mr. Reagan has achieved in health, education, welfare and social service programs.

### Budget Deficit

For fiscal years, in billions of dollars.



Source: Office of Management and Budget

With the increase in interest costs and military outlays, the federal budget has grown in relation to the size of the nation's economy. Total federal outlays represented 24.7 percent of the gross national product in the fiscal year 1983, up from 22.4 percent in 1980, according to the Office of Management and Budget.

### Defense

From the fiscal year 1977 to 1981, military spending grew at an annual rate of 2.6 percent, after increases to make up for inflation. Under Mr. Reagan, from 1981 to 1983, it rose 7.3 percent a year. The military accounted for 24

percent of the federal budget in the fiscal year 1981 and took up 26.4 percent in 1983. In his 1985 budget, Mr. Reagan proposed to spend \$272 billion on the military, 29 percent of the federal budget. Military spending will be about 50 percent greater this year than in 1981, and 45 percent greater in real terms after accounting for inflation.

### Social Security

The president's initial proposals to trim Social Security, in 1981, caused such an uproar on Capitol Hill that he was forced to retreat and to appoint a bipartisan commission to study the financial problems of the huge program. Within three months of receiving the panel's report, Congress approved and Mr. Reagan signed a bipartisan bill incorporating most of its proposals to guarantee the solvency of the Social Security System.

Perhaps the biggest change was a six-month delay in the payment of cost-of-living adjustments, from June to December of each year, starting in 1983. The new law also increased Social Security payroll taxes, authorized taxation of Social Security benefits for the first time, called for a gradual increase in the standard retirement age and required coverage of new federal workers and employees of nonprofit organizations. Government actuaries said these changes, all designed to increase revenue or reduce outlays, would insure the solvency of the system well into the next century. But in the last five months Mr. Reagan and Treasury Secretary Donald T. Regan have suggested that the program might need to be re-examined and revised again before the end of the decade. The president has said, however, that he would not do anything to "pull the rug out from under" elderly people receiving benefits.

### Health

Medicare pays doctor and hospital bills for more than 26 million elderly and 3 million disabled people. The Reagan administration proposed, and Congress in 1983 approved, the biggest change in the program since it was established in 1965. Hospitals that had been reimbursed for almost all "reasonable" costs are now paid a flat amount, fixed in advance, for treating any Medicare patient with a particular ailment. The new payment system, though not explicitly designed to save money, has changed the behavior of hospitals and doctors, making them more cost-conscious. Margaret M. Heckler, the secretary of the health and human services, asserted last month that the administration had "broken the back of the health-care inflation monster that has plagued us for more than two decades." Critics said her statement was premature, since medical prices continue to rise faster than other consumer prices.

New laws passed with the support of the Reagan administration require greater contributions from Medicare beneficiaries in the form of higher deductibles and premiums. Congress has rejected the administration's proposal to make people pay substantially more for the first weeks of hospital care in return for better protection against the costs of catastrophic illness. The administration has also slowed the growth of Medicaid, the federal-state health program for poor people. Mr. Reagan persuaded Congress in 1981 to give the states authority to restrict Medicaid eligibility, reduce benefits or take other steps to reduce costs. Some states have done so.

### Poverty Programs

The Reagan administration has made a fundamental change in the philosophy of social welfare programs while virtually halting their growth. Mr. Reagan has tried to limit benefits to what he calls the "truly needy," and he defines the term more narrowly than any other president since the start of Great Society programs in the 1960s.

The Congressional Budget Office estimated that federal spending had been reduced by these amounts, as opposed to what it would have been under laws existing in January 1981: Aid to Families with Dependent Children, reduced 13 percent; food stamps, 13 percent; child nutrition, 21 percent; general employment and training programs, 35 percent.

The Omnibus Budget Reconciliation Act of 1981 eliminated cash welfare assistance for many of the working poor. In the past, welfare was intended to supplement the earnings of such people. But the Reagan administration insists that

welfare benefits should be paid only to people who, because of age or disability, cannot work.

About one million people became ineligible for food stamps as a result of the 1981 law. Most had incomes exceeding 130 percent of the official poverty level. The law also reduced food stamp benefits for many households, including some who were poor.

Hunger re-emerged as a national issue in 1983. Mr. Reagan appointed a commission to study the problem and it concluded that reports of widespread hunger "can neither be positively refuted nor definitively proved." But it recommended a slight increase in federal spending for food assistance.

According to the Census Bureau, the poverty rate rose to 15.2 percent in 1983 from 13 percent in 1980 as the number of poor people in the United States rose by 6 million, to 35.3 million. The 1983 poverty rate was the highest since 1965. (A family of four was classified as poor if it had cash income of less than \$10,178 last year.)

### Civil Rights

Mr. Reagan has succeeded in his effort to restrict the range of remedies available for ending discrimination. He says he disagrees with his predecessors and civil rights groups on just a few issues: he opposes busing as a means of school desegregation and quotas as a remedy for discrimination in employment and education.

But the disagreements have been more fundamental. Mr. Reagan has opposed amending the Constitution to guarantee equal rights to women. He tried to reverse a well-established federal policy denying tax-exempt status to private schools that discriminate on the basis of race. (The Supreme Court rejected the administration's position by a vote of 8-1.)

Mr. Reagan also dismissed three members of the Commission on Civil Rights who had harshly criticized his policies. The administration initially resisted efforts to strengthen the Voting Rights Act of 1965 but Mr. Reagan signed a bill passed with bipartisan support.

The administration has often tried to impose a stricter legal standard requiring people alleging discrimination to prove that it was intentional. Scoring broad-based affirmative action, the administration has tried to limit relief to individuals who can show that they personally suffered discrimination. After a string of losses, the administration has won several civil rights cases in the Supreme Court. The court adopted the administration's narrow reading of a federal law that prohibits sex discrimination by schools and colleges receiving federal aid. In a major victory for the administration, the court ruled that judges may not alter the rules of a valid seniority system in order to prevent the layoff of recently hired black employees.

Education

Mr. Reagan initially tried to abolish the Department of Education, as he promised in the 1980 campaign. In his budget for the fiscal year 1983, he said the federal role in education "should return to more traditional minimal levels." Accordingly, he proposed "significant reductions in funding" for almost all education programs.

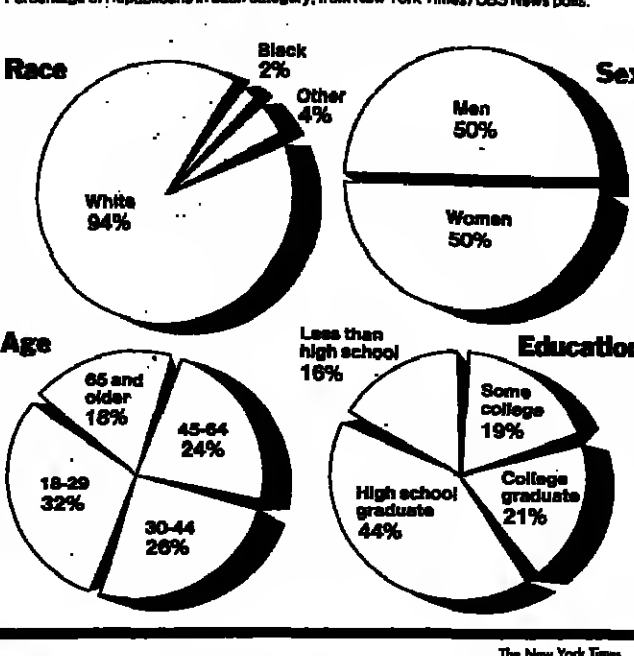
Congress has consistently provided more money for education than the president wanted. In early 1982 he envisioned federal education outlays declining steadily from \$15.4 billion to \$8.3 billion in 1987. In fact, there was a 5 percent reduction in education spending as outlays declined from \$15.1 billion in 1981 to \$14.3 billion in 1982. The president's budget for 1985 sought \$15.5 billion.

In April last year a presidential commission warned that "a rising tide of mediocrity" was eroding the foundations of American education. In June last year Mr. Reagan seized the political initiative and toured the country delivering speeches lamenting the state of education. He summoned schools "back to basics," proposed merit pay for teachers and urged principals to crack down on discipline problems. But he did not propose any substantial increase in federal aid to education.

The Congressional Budget Office estimates that three years of cutbacks have reduced spending on aid for the education of disadvantaged children by 17 percent, guaranteed student loans by 27 percent and other financial aid for college students by 13 percent, as opposed to previously anticipated outlays. Congress has not approved Mr.

## Who the Republicans Are

Percentage of Republicans in each category, from New York Times/CBS News polls.



The New York Times

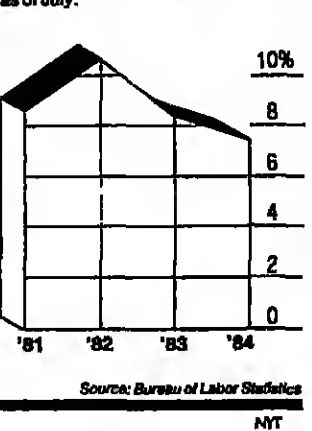
Reagan's proposal for a constitutional amendment permitting organized prayer in public schools. But it has approved a bill permitting students to hold religious meetings in public high schools before or after regular school hours, provided the meetings are not sponsored by the school or its teachers.

### Environment

When Mr. Reagan signed the 14th annual report of the Council on Environmental Quality last month, he said the nation "has a God-given responsibility to preserve and protect our natural resource heritage." He did not say that the council's budget had been reduced, to \$700,000 a year, from \$3.1 billion in the 1980 fiscal year.

### Unemployment

Year-end rate, in percent, for all civilian workers. Figure for 1984 is as of July.



Source: Bureau of Labor Statistics

Mr. Reagan's top two environmental appointees were forced to resign. Anne M. Burford stepped down as administrator of the Environmental Protection Agency in March 1983 amid charges that agency officials had been lax in enforcing hazardous waste laws, had made "sweetheart deals" with polluters and had manipulated toxic cleanup grants for political purposes. The allegations were not tested in court. But Rita M. Lavelle, who was in charge of the agency's toxic waste program, was found guilty of perjury and obstructing a congressional investigation of the program.

Interior Secretary James G. Watt resigned seven months later. His policies promoting development of natural resources had angered environmental groups and their allies in Congress. But the immediate occasion for his departure was an off-the-cuff remark in praising the members of a federal commission on coal leasing. Noting the balanced makeup of the panel, he said, "I have a black, I have a woman, two Jews and a cripple — and we have talent."

Under Mr. Reagan, the Interior Department has shifted emphasis away from the protection of public lands and toward the development of natural resources. Oil and mining companies, cattle ranchers, loggers and other developers welcomed the change, as did conservatives committed to free-market economic principles. But Congress imposed moratoriums on oil and coal leasing last year.

### Agriculture

While federal expenditures have been curtailed in many domestic program areas, the cost of farm programs has exploded, the President's Council of Economic Advisers said in its 1984 report to Congress.

Despite Mr. Reagan's desire to curtail government intervention in the economy, federal farm subsidies and price supports became

more costly than ever last year. Commodity price supports and related programs cost \$18.9 billion in the 1983 fiscal year, up from \$4 billion in 1981. Those figures do not include \$9 billion worth of surplus commodities used to pay farmers under an administration program to discourage planting excess crops.

The program, begun in early 1983, represented an extraordinary change in Mr. Reagan's farm policy, which had emphasized all-out production and little government intervention. But depressed export markets and two years of bumper crops had left the United States with huge commodity surpluses.

Administration officials say the program achieved its purpose, reducing stocks of corn, rice and cotton. But multimillion-dollar payments to some farmers drew harsh criticism from members of Congress.

### Antitrust Policy

The Reagan administration has made fundamental changes in antitrust policy. Attorney General William French Smith set the tone in June 1981 when he said, "We must recognize that big business does not necessarily mean badness, and that success should not automatically be suspect."

William F. Baxter, who presided over the antitrust division of the Justice Department for the first three years of the Reagan administration, insisted that the antitrust laws must not be used to penalize economic efficiency. He overhauled the department's merger guidelines for the first time since 1968. Some antitrust experts said that the new policies and attitudes were a factor contributing to an increase in corporate mergers and acquisitions.

### Trade

The U.S. foreign trade deficit reached a record of \$69.4 billion last year. It will be substantially higher this year. If the trend of the first five months continues, the deficit for 1984 will be \$122 billion, 76 percent greater than last year.

The expanding economy and the exceptional strength of the dollar have driven up demand for imports. In addition, high U.S. interest rates have forced up the international value of the dollar, making it relatively cheap for the United States to import foreign goods and expensive for other countries to buy American products. Some economists contend the high interest rates result, in part, from huge budget deficits. Democrats say that administration policies have contributed to the budget deficit and that Mr. Reagan must bear some of the responsibility for the trade deficit.

### Decentralization

Mr. Reagan has reduced federal regulations and given states more authority to decide how federal grants should be spent on such broad areas as social services, preventive health, maternal and child health, and elementary and secondary education.

State officials have generally welcomed this "new federalism" but strongly objected to the simultaneous reduction in federal aid. As a result, many local agencies have had to reduce services for children, the elderly and the poor.

The administration has found support for many of its efforts to reduce economic regulation of business, industry, prices and markets. But it has encountered opposition to many of its efforts to roll back health, safety and environmental rules.

## Mr. and Mrs. Reagan Talk Everything Over, He Reports Happily

By Donnie Radcliffe

WASHINGTON — Ronald Reagan says there is nothing he doesn't tell Nancy Reagan.

"As far back as I can remember in the marriage, anything that happens ... the first thought in my mind — is that I'm going to tell her about it. She doesn't have to say 'How were things at the office today?' the president asserted in an interview at the White House. "I just assume she's cleared for top secret."

The Reagan's habit of talking things over was a recurrent theme in the portrait the president sketched last week of his wife, who was being honored Wednesday at the Republican National Convention in Dallas.

A range of expressions — a playful smile, a frown of concern, a look of pride, a self-deprecating grin — crossed Mr. Reagan's face as he talked about the woman whose manner, friends, clothes and decorating tastes have come under so much criticism since the Reagans moved into the White House in 1981.

Mr. Reagan was clearly annoyed by reports that she is "the power behind the throne, directing me or something." This criticism, which has plagued the Reagans since his days as governor of California from 1967 to 1974, was revived recently when Mrs. Reagan ap-

peared to be prompting the president in response to a reporter's question about the Soviet Union. If not an adviser, Mrs. Reagan is a sounding board, the president said.

"There aren't any secrets between us," he continued. "Maybe sometimes I bore her telling her about it."

He said he liked to know Mrs. Reagan's reaction to what he does, although he does not solicit her opinions "in the sense of outright asking what I should do."

"Not that," he said, but "talking about it, telling what my concerns are and so forth, and she pitches in," telling him "what it sounds like to her."

Mr. Reagan said he was irritated by "stories that appeared that the change in my political views from Democrat to Republican had been the result of her."

He added that he did not know if he and his wife have changed each other in the 32 years they have been married, except where politics is concerned. If he has had any effect on her, he said, it would have been getting her interested in politics.

"She would be the first to tell you — and she's not very proud of the fact — that she just was apolitical," he said. "She just had no interest in it and had never given politics a thought. But the change was all mine. ... I literally converted myself."

He blamed "a preconceived image" of Nancy Reagan and "some



Nancy Reagan

image-making that went on" for the "bum rap" he thinks she got when they first moved into the White House. "She had a right" to be upset by the public's image of her as a woman of many advantages who was unaware of social injustices, the president said.

"That was absolutely false to what she actually is like," he said, citing as an example "the dishes" — meaning the 1981 gift from the Knapp Foundation of china valued at \$209,508, which was widely reported as an early example of Mrs. Reagan's alleged excesses.

"She didn't go out and buy a set of dishes for the White House," Mr. Reagan said. "Two donors who wanted to remain anonymous simply ordered them. ... And I think it was wonderful and most helpful to her when someone like Margaret Truman communicated with her and told her how much she understood."

At another point, trying to explain the difference between the Nancy Reagan the public sees and the one he knows, the president said: "People who get to know her know what she's like, find a very warm person. You only have to look at those photographs like the [China] trip and see her when she enters a place where there are children, and it's like the Pied Piper. She doesn't have to open her mouth and they come at her with open arms. It's wonderful to see. They just swarm over her."

"So many children, maybe, are wiser than older people with regard to reading character," he added.

## Teamsters May Not Back Reagan Because of Aide

By Pete Earley

WASHINGTON Post Service

WASHINGTON — Jackie Presser, president of the International Brotherhood of Teamsters, has told the White House that the union's support for President Ronald Reagan in the November presidential election may hinge on whether the president removes Donald L. Dotson as chairman of the National Labor Relations Board.

The board is the federal agency that interprets labor law and arbitrates disputes between unions and companies. With Mr. Dotson at its head and a Reagan majority in control, the board has issued several decisions that unions regard as anti-labor.

A Teamsters spokesman, Duke Zeller, said Tuesday that Mr. Presser "has let it be known to the right sources in the White House that the single issue that stands out for us at this time is Dotson."

In an interview Monday in Dallas, where the Republican National Convention is being held, Mr. Presser said that Mr. Dotson's removal had become a "do-or-die situation" among the Teamsters' 21-member executive board. The Cleveland Plain Dealer reported.

If dismissal "isn't forthcoming, I got a whole executive board to deal with," Mr. Presser was quoted as saying. "My board will take a firm position."

The board is scheduled to vote next week on whether the union, which has 1.9 million members, will endorse a presidential candidate. Mr. Presser has urged the White House at least twice to remove Mr. Dotson. Mr. Zeller said, but this is the first time he has linked it to the Teamsters' endorsement.

Mr. Presser was one of the few union leaders to support Mr. Reagan in 1980, and the White House sees his support as important in appealing to blue-collar voters. The AFL-CIO, the largest U.S. union federation, has endorsed Walter F. Mondale, the Democratic Party's presidential candidate.

A high-ranking Teamsters official said Tuesday that Mr. Presser did not make his demand about Mr. Dotson, a "threat" but rather the "final hurdle" in the endorsement process.

Mr. Reagan's campaign chairman, Edward J. Rollins, asked Mr. Presser for his union's support Monday at a Teamsters' breakfast. It was not known if the two men had discussed Mr. Dotson.

A spokesman for Mr. Dotson declined to comment Tuesday on Mr. Presser's demand. A White House personnel official said that Mr. Dotson has promised to resign

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## Cairo Jewish Wedding: All-Too-Rare Occasion

First Marriage Ceremony in 19 Years Gives a Lift to Dwindling Community

By Judith Miller  
New York Times Service

CAIRO — Benoit Salem and Fabienne Rousseau exchanged marriage vows recently in what was an especially joyous occasion — the first Jewish wedding in Egypt in 19 years.

It may well be the last.

Egypt's Jewish community, once among the world's largest and wealthiest, has dwindled to 250 people, most of whom are old.

"We have one more prospective groom: Benoit's brother, Michael," said Morris Guibly, the only Egyptian Jewish doctor left in Egypt. "Michael is a very eligible bachelor. But finding him a Jewish bride here? Well, we're going to have a problem."

The Israeli Embassy contributed a rabbi to the marriage, sending for Yitzhak Dovi from Tel Aviv to chant blessings and read the Ketuba, the marriage contract. Egyptian Jews have been without spiritual leadership since the last rabbi left in 1971.

On Aug. 11, the day before the wedding, Rabbi Dovi tried to hold a Sabbath service at Cairo's downtown synagogue. But he failed to get a minyan, the 10-man quorum needed for communal prayer.

"The Jews in this community are scattered throughout Cairo, many live far away," he said. "Some are not very religious."

Only two of the city's 15 synagogues are in use. Of these, only Shaar ha-Shamayim, a cavernous, recently restored building in the heart of Cairo's business district, functions regularly.

Usually dark and nearly empty, it was brightly lit, covered with flowers, and filled for the wedding. Friends of the families — Jews, Moslems and Coptic Christians — Israeli Embassy staff members, and a few Egyptian security policemen applauded and cheered as the bride, in a long white dress and veil, entered the temple.

The women, seated across the room from the men, ululated with joy, using the traditional Arab wail, as the bride and groom stood together under the canopy.

Cameras clicked and friends cheered as the groom ended the 10-minute ceremony by stamping on the chalice from which the pair had sipped wine, and exchanged rings with the bride.

Mr. Salem and Miss Rousseau met five years ago in the same synagogue during a service for Rosh Hashanah, the Jewish new year, friends said.

"It was love at first sight," said

David Salem, the groom's father, a factory sales representative.

Unlike most young Egyptian newlyweds, Mr. Salem and Miss Rousseau will have their own apartment. Mr. Salem, a 23-year-old graduate in business at Cairo University, works at the local office of Israel's El Al Airlines. Miss Rousseau, also 23, has just graduated from the American University in Cairo with a degree in mass communications.

"They have no plans to emigrate to Israel or anywhere else," said the elder Mr. Salem. "Why should they? No one has harmed us here."

The same could not always be said for Egyptian Jews, many of whom were coerced into leaving after the United Nations voted in 1947 to partition Palestine. Egypt's wars with Israel spurred anti-Jewish campaigns, including internment, expulsions and confiscation of property. By the time Anwar el-Sadat came to power in 1970, there were only a few hundred Jews left; the vast majority had voluntarily or involuntarily left for Israel.

Israelis are now welcome in Egypt. The government of President Hosni Mubarak refuses to send an Egyptian ambassador back to Tel Aviv until Israel has withdrawn its troops occupying southern Lebanon, but Israeli's ambassador remains in Cairo.

Fewer than 5,000 Egyptians visit Israel each year, but about 30,000 Israeli tourists come here.

One young Egyptian Jew at the wedding said Egypt's peace with Israel had rekindled an awareness of Jewish culture and heritage. For older Egyptian Jews, the Israeli presence here seems to have lessened their sense of isolation.

But it has not altered demographic facts. The Israeli diplomatic community in Cairo now rivals in size the city's Egyptian Jewish population.

Most students of Jewish culture predict that the Jewish community in Cairo is destined for extinction.

"I have no illusions—in 20 to 50 years, there will probably be none," said Judith Helfand, a student in "salvage ethnography" at New York University. Miss Helfand has spent six months in Egypt recording oral histories and taking photographs of what remains of the country's Jews.

"But this was a very special day — a *simcha*, or happy time," she added. "A marriage is life. It is proof that for now this Jewish community, which contributed so much to Jews throughout the world, lives on."



Fabienne Rousseau and Benoit Salem at wedding in Cairo.

## 96 Dead as Rival Militias Continue Lebanon Clash

The Associated Press

BEIRUT — Artillery duels between rival Moslem militias in the northern Lebanese port city of Tripoli raised the casualty toll on Wednesday to at least 96 people dead and 260 wounded over three days of fighting.

In Beirut, Prime Minister Rashid Karame announced that Lebanon has decided to lodge a complaint with the United Nations Security Council over Israel's occupation of southern Lebanon. Israel has occupied the southern third of Lebanon since June 1982, when it invaded the country to drive out Palestinian guerrillas.

Mr. Karame left it unclear, after emerging from a 24-hour meeting of his national unity cabinet under President Amin Gemayel, whether Lebanon would seek specific Security Council action. But he said that Lebanon's case would be based on "international conventions that prevent the repetition of what Nazism did to the Jews."

In the Tripoli fighting, police said that a single mortar shell in the city's public square on Wednesday killed five civilians and that 12

bodies were retrieved from buildings hit in fighting on Monday and Tuesday.

The state radio said that a 19-hour cease-fire between pro-Syrian and anti-Syrian militias broke down late Wednesday morning, and that almost all residential neighborhoods in the city were under random bombardment.

The broadcast said that Dr. Samir Kabbara, chief of northern Lebanon's medical department, ordered all hospitals to brace for an influx of casualties and issued appeals for blood donations.

A Red Cross source said the large majority of the casualties were civilians.

The hostilities have pitted the Syrian-backed Arab Democratic Party militia against the fundamentalist Islamic Jihad movement, or Tawheed, in a struggle for local dominance.

Beirut newspapers said that two Sunni Moslem groups, the Mosques Committee and the Islamic Committee, have joined forces with Tawheed in the fighting against the predominantly Alawite pro-Syrian militia.

## Soviet Carrier Sails Toward Red Sea Area Of Mine Hunt

The Associated Press

WASHINGTON — The Soviet helicopter carrier Leningrad is expected to sail through the Suez Canal in what may be an expansion of Soviet minesweeping efforts in the Red Sea, where at least 19 ships have been damaged in explosions, Pentagon officials said Wednesday.

The Leningrad was reported in the Mediterranean Sea off Port Said, the canal's northern entrance. The ship is being shadowed by a U.S. Navy frigate, the John Hall, which may also pass through the waterway, said the officials, who insisted on anonymity.

The officials acknowledged that there was much speculation at the Defense Department about the mission of the 20,000-ton Leningrad. It may serve as a mother ship for at least one Soviet minesweeper, and a diving tender that the Pentagon has said are operating in the Red Sea.

In addition to the minesweeper and tender, officials reported that a Soviet amphibious ship carrying minesweeping gear had also appeared in the Indian Ocean.

So far, the United States, Britain and France have naval units hunting for suspected mines and the Italian navy apparently is preparing to join in the effort.

According to Michael Burch, a Pentagon spokesman, there have been no attempts to coordinate U.S. operations with those of the Soviet Union, although the navy is cooperating with Western European countries and Egypt.

A Reagan administration official, who also refused to be identified, said U.S. Navy deep-sea divers would soon start checking suspicious objects found in the Red Sea and Gulf of Suez.

About 10 of the dozen or so objects detected by sonar were checked by U.S. divers, who found them "benign," the official said.

German Research Equipment

The unidentified objects located in the Red Sea could be scientific equipment installed by a Hamburg University research team last spring. The Associated Press reported Wednesday from Hamburg.

A university spokesman, Klaus Tornier, said five sediment traps had been anchored at a depth of 960 to 1,680 meters (3,160 to 5,500 feet) in the central part of the sea by the university's Institute for Hydrobiology and Fishing Science.

The traps were to measure suspended particles produced by dredging, Mr. Tornier said.

By James Feron  
New York Times Service

BETHLEHEM — A fruit and vegetable market opened recently on the outskirts of this biblical town, but it will be more than just a place to buy tomatoes and melons.

Situated on seven acres (about three hectares) on the road to Hebron, it will serve not only local shoppers but also growers, retailers and wholesalers from a wide area. Eventually, officials here say, the market will play a role in the movement of West Bank produce into Jordan.

"When operations begin next month, it will be the largest such market in the West Bank and perhaps beyond," said Mayor Elias Freij of Bethlehem, sweeping his arm toward the truck bays and stalls.

David L. Guyer, president of the Save the Children Federation, a private agency that is active in international development and relief, said that the market project was one of the largest such endeavors in the areas administered by Israel since the Six-Day War of 1967 and that it could have a major impact.

Colonel Haim Aviv, the Israeli military governor of the Bethlehem district, called the market a "turning point" and said that Bethlehem, which has been "until now a religious and tourist center, will also be an agricultural and commercial center."

The project also is unusual in its sources of financing, including \$340,000 that the mayor said "came through Jordan," apparently from Saudi Arabia and Kuwait, and a \$100,000 contribution from the Israeli Civil Administration.

Most of the money, \$900,000, was provided by the Community Development Foundation, a subsidiary of Save the Children Federation and one of five private and volunteer organizations that funnel money from the U.S. Agency for International Development into the occupied West Bank and Gaza Strip.

Although \$34 million has been allocated to these projects from 1975 through last year, the U.S. role was not mentioned at the colorful opening ceremonies of the Central Market for Fruits and Vegetables.

Colonel Aviv rejected suggestions that the Israelis had approved the project because Mr. Freij is among the more moderate of the West Bank mayors. "There was no political consideration," he said.

The Israelis, according to an official who is familiar with such projects, "object to what they sometimes see as nation-building, or the possible infrastructure of a Palestinian state" in the West Bank. An

example might be an engineering laboratory for a West Bank university.

Israeli civil administrators also make no secret of their interest in learning the source of money that comes into the West Bank from Jordan and beyond. Restrictions are sometimes applied strictly and sometimes eased.

Thus it seemed to those responsible for the market that it was a major achievement just to have seen the project through to its completion.

Philip Davies, director of the Community Development Foundation, said the market idea was initiated several years ago by Mr. Freij, who sought to improve and expand Bethlehem's crowded downtown market, just off Manger Square.

"Farmers did not have access, there were improper sanitary facilities and it was very difficult," the mayor said. "The farmers were at a special disadvantage because they had no other place to sell."

Mr. Davies, whose organization did a feasibility study before the Agency for International Development would release the money, said there would be truck bays for delivery and rented stalls for sale or barter, as well as space for 100 vehicles to park. The mayor said he expected 500,000 customers a year, "including Israelis."

"Eventually there will be facilities for packing and grading and space for a cold-storage unit, all of it unique in the West Bank," the mayor said. "That, in turn, will facilitate the existing agricultural traffic across the Jordan River."

Mr. Freij said the market "will be, for us, a new system of marketing, with a processing plant for exports; this we will have to coordinate with the West Bank farmers."

He added that he expected no problem with that facet of the plan.

Experts said the packing and grading would improve the quality of the produce, and thus its value. Bethlehem also will benefit financially. Produce will be measured through a truck-weighing machine and taxed, and other revenue will come from stall rentals.

The fate of Bethlehem's present market remains uncertain, except perhaps as a place for local trade. But even that might be jeopardized by another of Mr. Freij's ideas: He plans to run two buses between the town and the new market.

## March for Rama Rao Banned in New Delhi

Reuters

NEW DELHI — Police banned a street march Wednesday called by opposition groups to protest the removal of the chief minister of Andhra Pradesh state, N.T. Rama Rao. The ban caused an uproar in the Indian Parliament.

A dispute erupted when supporters of Prime Minister Indira Gandhi's ruling Congress-I party said that several members of the Andhra Pradesh assembly whom Mr. Rama Rao had brought to see India's president were imposters.

The deposed politician said he brought 162 assembly members to a meeting with President Zail Singh on Tuesday to prove he still held a majority in the southern state's 295-seat assembly.

Governor Ram Lal of Andhra Pradesh dismissed Mr. Rama Rao Aug. 16, saying defections had cost him his ruling majority. The new chief minister is backed by Mrs. Gandhi's party. She has denied any part in the move against Mr. Rama Rao.

A police spokesman said that permission for the protest march in New Delhi had been denied because it would disrupt rush-hour traffic. Mr. Rama Rao and other opposition politicians planned to speak at a rally of parties opposed to Mrs. Gandhi.

Mr. Rama Rao has accused the prime minister of engineering his dismissal so that her party could install its own minister in the state government to gain a power base for national elections that are due in five months.

In January 1983, Mr. Rama Rao's Telugu Desam party swept the Andhra Pradesh elections, winning 200 seats.

Since his dismissal, at least 25 people have died and 50 have been injured in protests that have disrupted rail and other transport throughout Andhra Pradesh.

Opposition groups held protest demonstrations in nearly 300 towns in the western state of Maharashtra and its capital, Bombay, and in Bihar and West Bengal states they announced protest rallies for Saturday to coincide with a "Save Democracy" day called by 11 major parties as part of a campaign to demand Mr. Rama Rao's reinstatement.

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## Tamil Mothers Fasting In a Sri Lankan Town Stripped of Their Sons

By Rone Tempest  
Los Angeles Times Service

**VALVEDITTURAI, Sri Lanka**—Three hundred women huddled under the branches of a banyan tree next to the main Hindu temple here this week in an all-day fast to protest the government's detention of their sons.

The women were all Tamils from this fishing town on the northern coast of Sri Lanka, across the Palk Strait from India. More than two weeks ago, government troops broadcast an order here for all young men, ages 18 to 25, to report to the town square for questioning.

Most of those who answered the call have not returned home. Nearly all of them are believed to be at a government detention camp, along with 500 other Tamil youths, in Boosa, 25 miles (40 kilometers) away on the southern end of this island nation dominated by Sinhalese Buddhists.

Conditions in the camp were described by several young Valveditturai men who were recently released. Sampathkumar Vimal, 23, said he was set free after he "told them I propose to go to London to do my studies in September."

Mr. Vimal said he was not mistreated in the camp. He said his hands were bound for only part of the trip down the island in buses. As the buses traveled through the countryside, he said, crowds of Sinhalese jeered as they passed.

Young Tamil males are prime targets in a government crackdown on a separatist revolt. At least 95 people have been killed, although Tamil leaders say the toll is possibly several hundred.

Aiala Sumanar, who resigned from the Sri Lanka Parliament last year rather than take an oath against a separate state for Tamils, described the detention of Tamil youths as a hostage situation.

"The government is trying to create the impression among the Sinhalese people that it has broken through," Mr. Sumanar said Tuesday. "They don't want to release the boys because the Sinhalese people will think they were hoodwinked."

In an earlier interview, Nalin Senewiratne, commander of the government military and police forces in the area, denied that troops under his command had been involved in arbitrary arrests of civilian youths. "We are picking them up," Mr. Senewiratne said, "but not indiscriminately."

In its recent history, Valveditturai illustrates the progress of the separatist revolt and government reaction.

Two Sri Lanka navy men were killed Aug. 4 by Tamil guerrillas on the streets of Valveditturai. Townspeople say the sailors were harassing women in the market; the military has not commented.

That evening the army detained at least 350 young men after ordering them to the town square. The next day, an army truck in the town was rigged with explosives and detonated. At least two soldiers were killed.

In apparent retaliation for these deaths, Sri Lanka troops, most of whom are Sinhalese, burned 130 homes and 30 small shops in the town, residents said. Earlier, army gunboats used fire on shore-line homes, they added.

On Aug. 14, Tamil guerrillas attacked a police station. That night the army returned and set afire 41 homes and 10 shops, residents said. Reports who visited the town were unable to confirm these exact numbers but the reports seemed to be accurate.

Among the 8,000 residents of Valveditturai, it is hard to find a person who does not support a separate state for Tamils.

Walls of homes and businesses in the town are covered with revolutionary posters of the various guerrilla groups that operate in the area, including one of fairly sophisticated design that shows a Buddha weeping tears of blood over the plight of the Tamils.

V. Selladurai, president of the rural development society for the town, said he and his wife have fasted since their 25-year-old son was taken away by soldiers Aug. 4. Fasting, a cleansing rite in Hinduism, is also regarded as an act of civil disobedience.

**Tamil Hints at Compromise**  
A Tamil leader suggested Tuesday a willingness to abandon a demand for a separate state. The Associated Press reported from Colombo.

Appapillai Amirthalingam, leader of the Tamil United Liberation Front, said at a meeting of political, ethnic and religious leaders that his group was willing to recommend a "viable alternative" to the independent state.

## On Deng's 80th Birthday, A Mao-Like Photograph Shows Him Swimming

The Associated Press

**BEIJING**—China's most powerful leader, Deng Xiaoping, turned 80 Wednesday without official celebrations. But one journal showed a picture of him swimming, and the People's Daily carried a 3,000-word article by his daughter about his life during the Cultural Revolution.

The weekly newspaper Liaowang, or Outlook, published a picture of Mr. Deng that was reminiscent of a 1966 photograph of Mao swimming in the Chang Yang River. That picture was reportedly taken to dispel rumors that Mao was unwell.

The photograph used by Liaowang was said to have been taken near Mr. Deng's summer retreat on the Yellow Sea, east of Beijing.

The article by Mr. Deng's daughter, Mao Mao, covered half a page of the People's Daily, the Communist Party newspaper. It described Mr. Deng's years as a political outcast in the late 1960s and early 1970s.

Mr. Deng worked on a lathe in a tractor factory, grew cabbage and beans to feed his family and read works by Marx and Lenin, she said.

The story dealt with the period after 1966, when Mr. Deng and the president, Liu Shaoqi, were purged as potential capitalists.

"It had already been two years since my father was kept in custody after being labeled the nation's No. 2 biggest capitalist roader," Mao Mao wrote. "Now he suddenly got the order that he was being sent to Jiangsu province." Jiangsu is in southern China.

Mr. Deng, the article said, was sent to a house in the city of Nanchang, and did "menial jobs such as cleaning the floor and splitting firewood."

In February 1973, Mr. Deng was summoned back to the government, although he was to be purged once again in 1976. He returned to the government after Mao died in 1976.

In 1977, Mr. Deng became deputy prime minister, and used that post to force aside Hua Guofeng, Mao's designated successor. Mr. Deng resigned that post in 1980. But he holds the chairmanship of party advisory committee and the chairmanship of the Military Council and leads the dominant moderate faction in the government.



Deng Xiaoping, as shown in a newspaper.

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## Detention of Politician in Uruguay Complicates Return to Democracy

By Martin Andersen  
Washington Post Service

**MONTEVIDEO**—In Uruguay, where the military has ruled since 1973, the twilight of the generals' government has brought a virtual explosion of liberty. But the transition to democracy has been complicated by the continued detention of Uruguay's most popular politician, Wilson Ferreira Aldunate.

Barely two months ago the press was rigidly controlled. Mention of Mr. Ferreira was cause for the confiscation of a newspaper's press run, or even its closure. Bookstores offered a fare reflecting the military's far-right politics. After 10 P.M., this city's streets resembled those of a ghost town. Buildings were free of the graffiti that punctuates Latin politics.

In recent days, however, two left-liberal dailies have appeared, and vendors say their sales are outstripping those of their right-wing competitors. At night, Montevideo is reawakening. Books by leftist Uruguayan authors, banned as recently as June, are displayed in bookstores catering to a youthful market in Uruguay, a nation of three million people.

"The pace of the transition is amazing, especially for a regime that once tried to impose short hair and clean-shaven faces on men and prohibited women from wearing blue jeans," said Hugo Batalla, a leader of the leftist Broad Front coalition, which received legal status from the government earlier this month.

Despite Uruguay's impressive political and cultural thaw, however, the treatment of Mr. Ferreira threatens to wreck the military-guided return to democratic rule.

Mr. Ferreira, 65, a former senator, fled the country following the military-backed coup of 1973. Three years later he was charged with having betrayed the constitution. He was also accused of having links to the once-powerful Tupamaro guerrillas, the Marxist rebels who were virtually wiped out in the months preceding the coup.

On June 16, Mr. Ferreira, the presidential candidate of the National Party and one of the fiercest critics of the military, returned from exile. As expected, the rulers jailed him along with his son Juan Raúl, a leader of an exile group.

Although his son was released Monday, Mr. Ferreira remains imprisoned, and the military has firmly maintained its prohibition on his competition in the Nov. 25 presidential election.

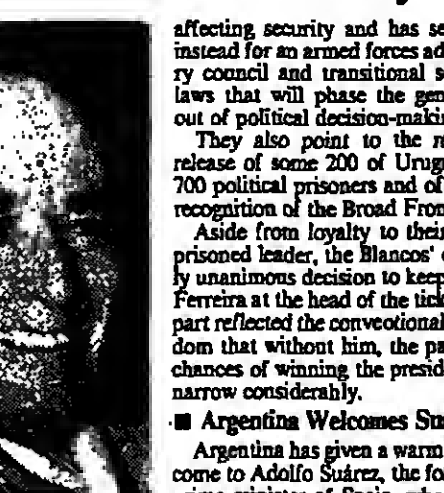
Early this month, Uruguay's other political groups appeared to break ranks with the National Party, known as the Blancos, and endorsed a compromise agreement by which, with or without Mr. Ferreira, they would participate.

Mr. Ferreira first bitterly criticized what he said was a pact between the military and his main political opponent, Julio M. Sanguinetti, leader of the other traditional party, the Colorados. But last week, in the face of his party's increasing isolation, Mr. Ferreira announced he was dropping his candidacy and urged the Blancos to prepare for the coming electoral contest.

Whether Mr. Ferreira's resignation was genuine or not continues to be the subject of heated debate, especially among his usually obedient Blancos, who on Sunday overruled their leader's orders and reaffirmed their support of his candidacy.

The Blancos argue that without the candidacy of Mr. Ferreira or that of Liber Seregni, the one-time Broad Front candidate—and with the proscription of some 5,000 leftist activists—Uruguayans will be deprived of a fair choice.

Mr. Sanguinetti and others argue that the accord reached with the military is the best possible agreement under the circumstances. They point out that the military backed down from its original demand of a permanent say in issues



Wilson Ferreira Aldunate

affecting security and has settled instead for an armed forces advisory council and transitional set of laws that will phase the generals out of political decision-making.

They also point to the recent release of some 200 of Uruguay's 700 political prisoners and official recognition of the Broad Front.

Aside from loyalty to their imprisoned leader, the Blancos' nearly unanimous decision to keep Mr. Ferreira at the head of the ticket in part reflected the conventional wisdom that without him, the party's chances of winning the presidency narrow considerably.

**Argentina Welcomes Suárez**  
Argentina has given a warm welcome to Adolfo Suárez, the former prime minister of Spain, who was expelled from Uruguay on Tuesday for defending Mr. Ferreira, Reuters reported from Buenos Aires.

Mr. Suárez was greeted at the airport by Daniel Caputo, the Argentine foreign minister, who praised the Spaniard for his "impossible personality in defense of democracy." Mr. Suárez then met with President Raúl Alfonsín for one hour.

## Soldiers Leave Palace After Rallies in Manila

The Associated Press

**MANILA**—Hundreds of troops withdrew Wednesday from President Ferdinand E. Marcos's residence, where they were stationed Tuesday as Filipinos commemorated the first anniversary of the assassination of the opposition leader Benigno S. Aquino Jr.

Around the presidential palace a dozen marines were seen removing barbed-wire barricades across an access road. The area had resembled a garrison on Tuesday.

In the Makati financial district, a demonstration erupted Wednesday as a truck carrying two life-size statues of Mr. Aquino drove around the area.

Motorists honked their horns as the truck transferred a bronze statue of Mr. Aquino from a park to a platform at a building housing the Benigno Aquino Foundation.

Customs officials had held the statue, built by a Filipino sculptor in Rome, but President Marcos ordered Tuesday that it be released. The statue had been sent by Philippine opposition groups in the United States.

The other statue, in stone and locally made, is to remain temporarily at Ugatid Field in Makati, according to Roli German, chairman of the August 21 Commemorative Committee.

The government had said the marches at Manila's Rizal Park would be used by Communists to ignite a civil war, but the protests were generally peaceful. About 450,000 people took part, according to police.

Police arrested 44 youths who burned tires or threw stones and boulders at passing vehicles.

At the time of his death, on Aug. 21, 1983, Mr. Aquino, 50, was the principal leader of the anti-Marcos opposition. He was shot at Manila International Airport as soldiers escorted him from a plane that brought him home against government wishes, after three years of self-imposed exile in the United States. The military says Rolando Galman, who it accused of having been a Communist agent, killed Mr. Aquino. Mr. Galman was killed by soldiers.

Opposition leaders say Mr. Aquino's death was the result of a government conspiracy.

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## Biblical Land of Israel Is Arabia, Scholar Says

Reuters

**BEIRUT**—A Lebanese professor has advanced a theory that the Israeli kingdom of David and Solomon was not in present-day Israel but in the Saudi Arabian provinces of Hejaz and Asir.

Kamal Salibi, professor of history at the American University of Beirut, put forward the theory in his book "The Bible Came From Arabia," which the West German magazine Spiegel has contracted to publish.

Without knowing the details of Mr. Salibi's argument, two Israeli biblical scholars, Moshe Kochavi and David Ussishkin of Tel Aviv University, dismissed it as "crazy, far-fetched and laughable."

A West German biblical scholar at the University of Münster, a member of a panel investigating Mr. Salibi's theory for Spiegel, described the book as "a typical work of Arab self-conceit." But Mr. Salibi said that linguists on the panel had decided that the work was sound and should be published.

The professor said he developed his theory in 1979, while searching for non-Arabic place names in the Arabian peninsula.

"The evidence that the whole Bible land was there struck me in the face," he wrote in his book. "Nearly all the biblical names were concentrated in an area approximately 600 kilometers (360 miles) long and 200 kilometers wide."

The area in question lies between the Moslem holy city of Mecca and the Saudi-North Yemeni border. The Red Sea bounds it on the west and a mountain ridge, rising to heights of 3,100 meters (10,200 feet), runs down the center.

According to Mr. Salibi, Jerusalem is the village of Al Shamir, near the modern town of An Nimsa; Zioo is the hilltop hamlet of Siyan, just west of Abha, and Sodom and Gomorrah are Samad and Ghamrah, in the lava flows near Jizan. The land promised to Abraham,

from the "river of Egypt" to the "Euphrates," would in fact be rather smaller than currently argued, stretching 320 kilometers between two wadis, or beds of dried-up rivers, named for the villages of Misri-mah (Misram in the Hebrew Bible, usually translated as Egypt) and Farat (Frat is the Hebrew for Euphrates).

Far from questioning the accuracy of Old Testament events, Mr. Salibi, a Protestant, said that shifting their geographical location gives weight to the Bible as history.

Mr. Salibi said that, with a modern gazetteer of Saudi Arabia and the works of Arab geographers, he has located up to 80 percent of the hundreds of biblical place-names he has examined.

The Israeli biblical scholars say they have traced 350 to 400 of the 700 names. Mr. Salibi challenges their identifications on linguistic grounds and says the real figure is closer to 15 or 30.

Those few, the professor says, were probably transferred to Palestine by nostalgic migrants from western Arabia, just as immigrants in the United States gave European names to their cities.

He said that large numbers of Jews had already moved to Palestine by the 10th century B.C., and the process of migration accelerated after the Babylonian conquest of Judah in 586 B.C.

The Greek historian Herodotus, writing in the 5th century B.C., quotes the Syrians and Phoenicians of his time as saying that they had migrated from the Red Sea coast.

By the time of the Hasmonaean kingdom in Palestine, 400 years later, the Palestinian Jews had forgotten their west Arabian origins and considered the new Jerusalem as the city of David and Solomon, Mr. Salibi says.

Some Jews stayed on in their homeland, where they survive to this day near the Saudi-North Yemeni border, he adds.

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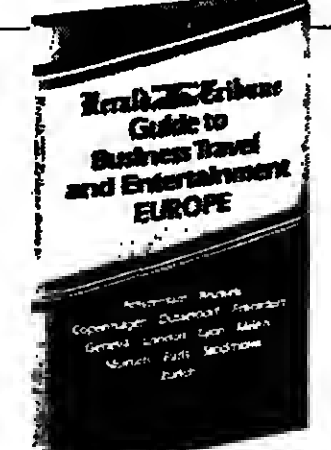
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# Herald Tribune

Published With The New York Times and The Washington Post

## Inside the Ferraro File

After nearly two weeks of self-inflicted anguish, Geraldine Ferraro has published her husband's tax returns and financial records along with her own. As finally promised, their report is extensive and more detailed than any law requires. And at first blush, the details make one wonder why there was ever any reluctance to disclose to this extent.

Ms. Ferraro and her husband, John Zaccaro, turn out to be a prosperous couple who paid considerable taxes and tried, within reasonable limits, to erect some useful barriers between their career as a congressman and his real estate and insurance businesses. Whether or not every one of Mr. Zaccaro's commercial transactions can withstand national scrutiny, there is nothing in the records now revealed suggesting any abuse of his close relationship with her. Nor is there even a hint that she ever betrayed her public trust or wrongly profited from public office.

The couple's main mistake so far was in trying to rescind Ms. Ferraro's promise to release her husband's tax returns. There were born the suspicion that she had something to hide and the speculation that the Democratic candidate for vice president was in danger of losing her upright reputation if not the nomination itself.

After many days of inept dealings with the public, however, Ms. Ferraro has met her first big test of the national campaign with impressive skill and self-assurance. It will take some time for all her revelations to be minutely examined, as the election laws intend. But unless serious new questions arise, she is entitled to her wish to be allowed now to turn to the broad issues of this election year.

Leading up to this week's climactic accounting, the news reports of the Ferraro-Zaccaro finances seemed to pose three main questions:

■ Did Ms. Ferraro, during six years in Congress, properly exempt herself from disclosing her spouse's finances? Such a claim, made by just a handful of other members, is available only to those who do not know about or benefit from a spouse's income.

Ms. Ferraro now asserts that she knew very little about her husband's real estate business and that the law cannot demand other in-

fluence. As for benefit, she contends that the law cannot require a married couple to live apart or to own separate refrigerators. These arguments seem to conflict with prevailing House practice and may well prove mistaken. But Ms. Ferraro is persuasive about her motives in claiming the exemption and does not appear to have been hiding any wrongdoing.

■ Did Ms. Ferraro and her husband bend the rules in financing her 1978 election campaign? Tracing the many-cornered pattern of intra-family loans and repayments, real estate sales and repurchases is a frustrating and inconclusive exercise. Plainly, the family had decided to bear most of the campaign's expense and struggled to find resources that were clearly Ms. Ferraro's own, as the law requires. The intent seems clear. The legalities may yet begot more questions.

■ Did the Zaccaro family pay a fair share of taxes? The personal tax returns show considerable payments every year, though they do not reveal all aspects of Mr. Zaccaro's separate, corporate practices. The couple did, in a joint 1978 return, omit part of a capital gain that accountants discovered only in recent days. The original accountant now takes the blame for this underpayment of \$29,700 in federal tax. Perhaps a seasoned broker and his wife, a lawyer, should have spotted the failure to compute the value of a property mortgage. But Ms. Ferraro insists persuasively that it was a mistake, not an evasion.

On the record so far, Ms. Ferraro can be characterized for a slow, confused and finally melodramatic unfolding of all the facts pertaining to her finances. But her fellow citizens should understand that the case raised ethical issues of novel complexity, involving a wealthy businessman spouse.

The public should also bear in mind that the purpose of all this exposure is not to find one or another error or misjudgment, but to reveal the financial interests of office seekers in ways that let the voter perceive any potential conflict of interest. Nothing now known casts any doubt whatever on Ms. Ferraro's capacity to serve the nation as vice president.

—THE NEW YORK TIMES

## The Old Are Richer

Average family incomes have risen only modestly since 1980, in general. But there is one slice of U.S. demographics that is a striking exception to that pattern. The elderly as a group have done very well over the past four years. In its book "The Reagan Record," published last week, the Urban Institute shows that the incomes of the elderly are up sharply all across the range from poor to rich.

Most of it happened for reasons having little to do with the Reagan administration and its ideas. Legislation passed much earlier built a lot of momentum into the continuing rise of federal benefits for the elderly. Most conspicuously, Social Security benefits have risen 7 percent, after inflation, over the past four years. That is twice as fast as the rise in the average income of all families, after inflation, and after taxes.

But the Reagan policies also helped the elderly — and helped them more than any other category of population in the Urban Institute's study. The sharp drop in inflation helped them, while few of them were affected by the recession and the high unemployment that forced inflation down. They benefited from high interest rates. They benefited from

the Reagan administration's tax cuts, but apparently were not greatly affected by its reductions in spending on social programs. Among the poor and near-poor, the Urban Institute found, people over 65 are the only large group that has enjoyed an increase in average incomes since 1980.

There was a time, not very long ago, when elderly people constituted a very large proportion of the genuinely destitute in this country. That, happily, is no longer true, largely because of enlightened social legislation — chiefly Social Security — supported by both parties and all administrations.

No one would want to see those programs diminished, or the economic condition of elderly people decline. But the acceleration of recent years raises a question about future policy. Living standards among the elderly are approaching those of the rest of the population. The case is fading for further increases at rates faster than the rise in the working population's income. This issue is not one that you are likely to hear debated with any great enthusiasm during the election campaign. But it lies in wait for the next administration.

—THE WASHINGTON POST

## Other Opinion

### Eagleton Affair Revisited

One doesn't know who to pity more, Walter Mondale or Ms. Ferraro, who so naively stumbled into a tornado of criticism.

The family riches, which were hidden out of shame, and which perhaps were underestimated for tax purposes, do not fit in with her liberal stance.

It recalled that George McGovern when he ran for president on the Democratic ticket dropped Thomas Eagleton as his vice-presidential running mate, and it said Mondale might not be able to rescue himself even if he drops Ms. Ferraro.

—Die Welt (Bonn).

### Reagan and the Grain Sales

The American president has entered the battleground of the Farm Belt — where Mr. Mondale is the native son — and straightaway got stuck into the vexed question of whether or not to sell grain to the Soviet Union.

Mr. Reagan has not flinched. He has said he is, and was, against embargoes of every kind, and has gone on to claim credit for the surge in grain sales to the Soviet Union.

Business is business, and one would have thought the Kremlin might be prepared to ease up on its anti-Reaganism.

—The Daily Telegraph (London).

### Japan and War Crimes

To what extent can a man become inhuman during the madness of a war? This question has not yet been answered even today, 39 years after the end of World War II. Yet, this is a question we have to continue asking.

The 731st Unit [of Japan], stationed in Manchuria during the last war, used Chinese, Koreans and Russian prisoners of war and other political prisoners in human guinea pig tests in an attempt to develop germ weapons.

Previously, there were no known documents to endorse the alleged inhuman tests, but a Keio University research team recently discovered classified documents.

One of the two documents indicated that the people involved in research, development and deployment of poison gas were granted immunity from arrest by submitting all the papers concerned to the U.S. occupation forces.

The notorious 731st Unit was made up of more than 3,500 men. Most of them now live in peace, their whereabouts unknown. Except for some testimony made by a few members of the unit, most members remain mum about its secrets.

To look at the reality of war and man is one way to search for eternal peace. We should delve into the truth about the 731st Unit.

—Mainichi Daily News (Tokyo).

## Moving and Shaking Behind the Balloons

By Newt Gingrich

DALLAS — Do national political conventions still serve a purpose? I strongly believe they do, particularly for the Republican Party, which is undergoing an important transition.

The 1984 Democratic and Republican conventions are the first in recent history that will not be covered by the national television networks. Some observers suggest that this change toward partial coverage is the first step in the decline of national conventions as institutions. Others suggest that this decline began with the rise of electronic communications and the elimination of multibillion-dollar presidential nomination fights. A few have even suggested that national conventions should either be abolished or limited to one open day spectacle celebrating a candidate who has already been nominated.

As a participant in this year's Republican National Convention and a member of the executive committee of the party's platform committee, I don't think national television coverage of the convention is particularly important. What is important is that the leadership of the national party meet to chart the path it will take in the future.

The key element of the convention is the discussion and analysis that goes on among the party activists, which has never been well covered by the media anyway. It is for the sake of that gathering of the party elite that I would argue that the tradition of national conventions must continue.

For more than a century, power brokers or vote counting is going on when 3,000 or 4,000 activists gather

in a platform, listen to the various leaders speak and argue together at cocktail parties, receptions and indeed on the bus rides to and from the convention. A free society cannot govern itself simply through referendums and slogans and 30-second commercials. A free society must constantly renew and re-educate its national elite. The old and new within that elite must argue, shaping appeals to a variety of interest groups — economic, ideological, regional and ethnic — and decide among themselves which direction to lead.

The Republican elite meeting this week in Dallas will guide the party through a crucial transition.

As I see it, the new Republican Party should argue aggressively with the declining welfare state establishment — both the Republican and the Democratic side of that establishment. The Republican Party should represent an opportunity society, and should reach out to all American workers — whites, blacks, Hispanics and others — who want more take-home pay, the chance to create a small business, a safe neighborhood and the right to pray in school.

The party must fight to develop a program for frugality in Washington instead of frugality among the families of working Americans. Part of this struggle will mean using the techniques of the information age in developing new ways of delivering government services, particularly health care and education. We must also rethink the way the Pentagon works, and should strive to apply the lessons of modern management in the military bureaucracy.

The beginning of this transition



was apparent in the party's platform fight last week. Those who favored a platform that left room for tax increases to pay for the welfare state were defeated by those who preferred a plank that would force the government to do what is necessary to promote economic growth.

These kinds of struggles are essential if we are to fashion a new approach to the post-industrial era. To face the challenge of the future, we must move beyond the old, passive and reactive Republican Party, encouraging the energy, aggressiveness and competitiveness of the party's newcomers. The welfare-state Republican Party must be willing to give

way to the opportunity-society Republican Party.

The divisions within the party have not yet been entirely resolved. The gradual shifts taking place among the Democrats, but never seem to be having such a good time. Yet they think the trends are going with them now, and that conservatism is in the saddle, not only in the United States but in Britain, West Germany and Japan.

It would be a mistake, however, to make too much of the euphoria of the delegates here. The people who are really planning the Reagan campaign's strategy are not the men and women who dictated the conservative Republican platform.

The writer, a Republican congressman from Georgia, contributed this view to The New York Times.

## Where Was Mondale When Ferraro Needed Him?

By Sydney Schanberg

NEW YORK — Every time Geraldine Ferraro issues another comment in her attempt to put out the fire over her husband's finances, she seems instead to send the flames higher.

There she was on Monday, telling us that something her husband had done was all right when clearly it was something a teen-ager would know he should not do.

Her husband, John Zaccaro, had borrowed \$100,000 from the monies of an elderly, incapacitated woman whose estate he was overseeing as a conservator appointed by a court. He needed the money to pay some bills because his business was temporarily short of cash.

Yes, he paid it back — with interest. But that did not make it right. What high school student, if asked, would not know that it is wrong, if you are made guardian of someone's estate, to use that money for your personal needs?

Yet Ms. Ferraro says her husband "never knew it was improper" because the court had not told him it was improper. "John did nothing wrong," she said, and even insisted that it was not an error in judgment.

The details of this transaction are no longer important. What is important is how sad the whole thing is, how unfortunate that she and her husband and her Democratic running mate, Walter Mondale, and their advisers did not realize that the time to lay out the family's finances was a month ago, when she was riding the teetotal as the first woman to be the vice-presidential nominee of a major party.

Instead she had stumbled and fumbled and wrestled futilely with a husband who wanted to keep his business affairs private but who, since he is a grown-up living in the age of disclosure, had to know that the spouse of a vice-presidential candidate whom he has listed as the secre-

etary, treasurer and vice president of his real estate company could not keep these affairs in his pocket.

So now, a month later, with the furor burning bright, they finally send their accountants forward with the tax returns and the ledgers and the balance-sheet jargon.

It is inevitable because of the way the Ferraro-Mondale camp has handled this problem that nagging questions will remain about the family loans that got Ms. Ferraro elected to Congress in 1978, about the misleading disclosure forms she filed in Congress, about why John Zaccaro was so slow to help his wife by making his

finances public. The best thing Ms. Ferraro can do now is to stop insisting that everything she and her husband did with their finances was just swell.

She ought to acknowledge what that high school student can see, vividly, through all the diaphanous excuses — that the Ferraro-Zaccaro family, like every other family, made some errors in judgment.

They did not think, back in 1978, that any of their tax maneuvers — common in real estate and other businesses — would ever be laid bare on national television. Put more simply, they did not expect Geraldine Ferraro



## Sociologist Puts Yugoslavia on Trial

By Leopold Unger

BRUSSELS — Ali Sukrija, an ethnic Albanian who heads the Communist Party in Kosovo, was named president of the Yugoslav Communist Party's collective leadership at the end of June. Shortly afterward, 70 ethnic Albanian Yugoslav citizens from Kosovo were arrested on charges of separatist and terrorist activities. Many have been held with prison terms ranging to 15 years.

This is by no means an unusual contradiction. It commonly occurs in Yugoslavia with its six republics, five nationalities, four religions, three languages, two alphabets and only one ruling power, that of the Communist Party.

The trial of Vojislav Seselj, a sociologist, is another example of the contradictory nature of Yugoslav political life. It illustrates the problem all the more because if Yugoslavia is a Communist country, it is almost a free country when compared to its neighbors, Romania or Bulgaria.

Belgrade, for example, has authorized the translation and publication of the "Chronicles of a State of War," whose author, Marek Nowakowski, has been jailed in Warsaw and indicted for allowing his book to be published in the West. The Yugoslav government let it be known that the book will be published at the same time Mirka Planinc, the Yugoslav prime minister, is to visit Poland.

Mr. Seselj, 29, lecturer at the University of Sarajevo, in the republic of Bosnia-Herzegovina, first was dismissed from his post, then on May 15, arrested and indicted for "counter-revolutionary" activities and sentenced to eight years.

The charges were based mostly on a text written at the request of and for publication by the Communist Party review. The text never reached its destination, but was distributed by

the police and presented by the prosecutor's office.

An intellectual who was the youngest doctor of political science in the entire country, Mr. Seselj went straight to the point. He demanded the "de-Titoization" of the Yugoslav system, which he qualified as bureaucratic and Stalinist.

He criticized Tito for having led a life "available only to the old monarchs" and accused the Communist Party of being a "factor of regression," just as responsible for expressions of nationalism in Kosovo as for religious strife, like the development of Moslem nationalism in Bosnia.

What Mr. Seselj calls for is a complete reorganization of the state. And this is no small request in Yugoslavia. It is also not the first, and certainly not the last episode in the quasi-permanent battle between the Communist Party seeking an impossible reconciliation between its monopoly of power and the intellectual aspirations of the various elites of the various republics of the Yugoslav federation.

Mr. Seselj was just unlucky. His case came up during a period of severe economic crisis and a renewal of nationalist sentiment.

The regime would like to do away with this general malaise and silence the intellectual dissent, whose influence is growing. This, in part, explains the roundup of intellectuals last April, in which Milovan Djilas, Tito's one-time heir apparent, was involved. Mr. Djilas, who now is the leader of political dissent in Yugoslavia, had gathered a number of intellectuals for a seminar at his home in Belgrade. All were arrested, some kept in jail and a number have under-

taken hunger strikes, some of which are continuing.

This also explains the Seselj trial, which under the present circumstances, is the equivalent of an act of political desperation by a regime that has lost its control over the dissidents. The fallout from the trial may well come in two ways.

It may signal a dangerous test of strength between the regime and the intellectual elite of the nation. A trial of six other dissidents is expected to be held next month. Several hundred intellectuals, among whom are the leading members of universities, are expected to have signed a petition in favor of their young colleague.

Professor Stjepan Suvac, Croatia's top ideologist, was certainly sincere when he publicly denounced the terms used by the dissidents to qualify the party and its leaders. "This extraordinary list of terms opens by 'the old rats' and goes to 'careerist swindlers' passing by 'a group of incerters, the jokers, hooded crows, censors, idiots, monsters, microphone powerholders, mandarins of conservatism' and includes 'communists, spiritual janissaries, ideological pagan priests, the bounds of spiritual life, and modern scoundrels'.

On the other hand, the Seselj trial may end up drawing the line on credit — real and figurative — that the West has been willing to extend to Yugoslavia, a Communist country, which seems to be different from the others.

Perhaps the strongest statement on the Seselj affair has come from Vladimir Dedjic, a well-known Yugoslav historian and a biographer of Marshal Tito. Mr. Dedjic has been quoted as calling the condemnation of Mr. Seselj a "case of pure legal assassination."

International Herald Tribune.

## Reading Between The Hoopla

By James Reston

DALLAS — In San Francisco, the Democratic Party emphasized two main issues: fear and fairness. Here in Dallas, the Republicans are countering with Ronald Reagan, progress and patriotism.

At this point in the campaign — the propaganda phase — the Republicans have the advantage. The party has a popular, articulate president. It has the power of the White House. It has more money, and it is better at propaganda.

It has one other advantage. The economic recovery is now well on its way. The decline in inflation and unemployment are facts. The evidence is not on paper but in the streets, particularly in this gleaming city with its building cranes swinging between the skyscrapers in the steaming heat.

In short, it is easier to put the eye of a television camera on the tangible evidence of new construction and on the president in the White House than to dramatize poverty or fear, which are often invisible.

It is no wonder, then, that the Republican delegates here are in an optimistic mood. Somewhere the Republicans always look better than the Democrats, but never seem to be having such a good time. Yet they think the trends are going with them now, and that conservatism is in the saddle, not only in the United States but in Britain, West Germany and Japan.

It would be a mistake, however, to make too much of the euphoria of the delegates here. The people who are really planning the Reagan campaign's strategy are not the men and women who dictated the conservative Republican platform.

If you talk to James Baker, the White House chief of staff, you will find that he takes the Democratic issues of fear and fairness with the utmost seriousness, and is not counting on President Reagan's present 15-point lead in the polls. He predicts a close race, not merely to avoid Tom Deweyish overconfidence, but because he believes it.

Similarly, Secretary of the Treasury Donald Regan does not take casually the Democratic charges of oversteering on defense or the present rate of budget deficits.

The White House and cabinet officials are being more canny. Their assumption is that more than 100 million voters will go to the polls in November, maybe 15 or 16 million more than in 1980. And while the Republicans are mounting an ambitious registration drive, a majority of these new voters may well be blacks and women, who are more likely to vote for the Democratic ticket.

Mr. Reagan's principal advisers do not expect that the Republican platform will do anything to abolish the fairness issue, and the fear issue gives them even more concern. "Anxiety over" the stalemate in the nuclear arms race could still be the "sleeper" in this campaign.

Mr. Reagan has hoped to pick up support in the churches by his opposition to abortion and his support for school prayer, but it is not clear that these are winning issues, and more than half the delegates here have indicated their support for a verifiable "freeze" on the development and deployment of nuclear arms.

The Republican leaders hope to counter this anticuclear movement by appeals to patriotism. Their campaign motion picture is one long appeal to patriotic spirit, and most speakers here so far have sought to condemn the Democrats for letting the nation down and encouraging Soviet rearmament and aggression.

Jane Kirkpatrick, in a major foreign policy speech Monday night, accused the Democrats of ignoring foreign policy issues at the San Francisco convention. In addition, she charged, whenever anything went wrong in the world in recent years, the Democrats blamed not the Russians but their own country.

Her speech was a masterpiece of oversimplification, if not distortion. She asked what would become of Europe if the United States withdrew from the Continent, what would become of Europe and Israel and Africa if the Middle East fell to the Russians — as if the Democrats or anybody else was inviting such disasters.

Her appeals in patriotism — as if the Republicans were its only protectors — invite a serious debate on the issue. But this is the one thing the party leaders are trying to minimize.

Nevertheless, the fear and fairness issues are not likely to go away. After the Dallas convention, nobody will have a captive audience, and even Mr. Reagan and Walter Mondale will have to answer for their charges.

The New York Times.

## LETTERS TO THE EDITOR

### Culture's Proscriptions

Regarding the report "Saudi Prisoners United With Kin" (Aug. 8):

You seem to suggest that any punishment for the distribution of films fit for American cable television is grossly unfair. I ask you to think back 15 years to America. Many films that are now viewed on cable would have then been banned as pornography.

More importantly, Saudi Arabia is not America. The rigid moral and legal structure of that state is clear to all expatriate workers upon and before arrival. The penalties are applied with equal severity to Saudis and foreigners for violating Saudi strictures on alcohol and distribution of pornographic materials.

The foreign worker is a guest in Saudi Arabia. True, one would like to see pictures of gymnasts in the newspaper or enjoy the spicy scenes in hit movies. But, to do business in the Kingdom, one must learn to forego even these simple treats. Those who are so arrogant to assume that their passports, cultures or jobs are too important, and hence, that they have the right to a drink or what the rest

MOSTAFA ABDUL KADER, Al Khobar, Saudi Arabia.

### Bravo for Competition

Regarding the column "World Zep Approve of Bud" (Aug. 15):

James Cameron's views on the Olympics are deplorable. The Olympics are a reminder that the desire to excel — so nearly extinct in the academic world — still exists for youth. Where else, except in musical performances do we find such competence and competitiveness? The world needs a bit more of this.

CHARLES-JAMES BAILEY, Berlin.

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| NYSE Closing |         |         |         |       |
|--------------|---------|---------|---------|-------|
| Vol.         | High    | Low     | Close   | Chg.  |
| 107,770,000  | 1240.00 | 1235.00 | 1235.00 | +5.00 |
| 107,770,000  | 1240.00 | 1235.00 | 1235.00 | +5.00 |
| 107,770,000  | 1240.00 | 1235.00 | 1235.00 | +5.00 |
| 107,770,000  | 1240.00 | 1235.00 | 1235.00 | +5.00 |

| AMEX Diaries |       |       |      |      |
|--------------|-------|-------|------|------|
| Class        | Prev. | Close | Chg. | Vol. |
| Advanced     | 27.00 | 27.00 | 0.00 | 100  |
| Dedicated    | 27.00 | 27.00 | 0.00 | 100  |
| Unsubscribed | 27.00 | 27.00 | 0.00 | 100  |
| Total        | 27.00 | 27.00 | 0.00 | 100  |

| NASDAQ Index |      |      |       |      |
|--------------|------|------|-------|------|
| Week         | Year | Open | Close | Chg. |
| 2011         | 2011 | 2011 | 2011  | 2011 |
| 2011         | 2011 | 2011 | 2011  | 2011 |
| 2011         | 2011 | 2011 | 2011  | 2011 |

| AMEX Most Active |        |       |       |       |
|------------------|--------|-------|-------|-------|
| Vol.             | High   | Low   | Close | Chg.  |
| 100              | 100.00 | 99.00 | 99.00 | +1.00 |
| 100              | 100.00 | 99.00 | 99.00 | +1.00 |
| 100              | 100.00 | 99.00 | 99.00 | +1.00 |
| 100              | 100.00 | 99.00 | 99.00 | +1.00 |

| NYSE Diaries |       |       |      |      |
|--------------|-------|-------|------|------|
| Class        | Prev. | Close | Chg. | Vol. |
| Advanced     | 27.00 | 27.00 | 0.00 | 100  |
| Dedicated    | 27.00 | 27.00 | 0.00 | 100  |
| Unsubscribed | 27.00 | 27.00 | 0.00 | 100  |
| Total        | 27.00 | 27.00 | 0.00 | 100  |

| Dow Jones Averages |         |         |         |       |
|--------------------|---------|---------|---------|-------|
| Open               | High    | Low     | Close   | Chg.  |
| Index              | 1240.00 | 1235.00 | 1235.00 | +5.00 |
| Transp.            | 1240.00 | 1235.00 | 1235.00 | +5.00 |
| Indus.             | 1240.00 | 1235.00 | 1235.00 | +5.00 |
| Comp.              | 1240.00 | 1235.00 | 1235.00 | +5.00 |

| Odd-Lot Trading in N.Y. |      |      |      |      |
|-------------------------|------|------|------|------|
| Buy                     | Sell | Vol. | Chg. | Vol. |
| 100                     | 100  | 100  | 0.00 | 100  |
| 100                     | 100  | 100  | 0.00 | 100  |
| 100                     | 100  | 100  | 0.00 | 100  |
| 100                     | 100  | 100  | 0.00 | 100  |

| Standard & Poor's Index |       |       |      |      |
|-------------------------|-------|-------|------|------|
| Class                   | Prev. | Close | Chg. | Vol. |
| Advanced                | 27.00 | 27.00 | 0.00 | 100  |
| Dedicated               | 27.00 | 27.00 | 0.00 | 100  |
| Unsubscribed            | 27.00 | 27.00 | 0.00 | 100  |
| Total                   | 27.00 | 27.00 | 0.00 | 100  |

| Dow Jones Averages |         |         |         |       |
|--------------------|---------|---------|---------|-------|
| Open               | High    | Low     | Close   | Chg.  |
| Index              | 1240.00 | 1235.00 | 1235.00 | +5.00 |
| Transp.            | 1240.00 | 1235.00 | 1235.00 | +5.00 |
| Indus.             | 1240.00 | 1235.00 | 1235.00 | +5.00 |
| Comp.              | 1240.00 | 1235.00 | 1235.00 | +5.00 |

| AMEX Stock Index |        |       |       |       |
|------------------|--------|-------|-------|-------|
| Open             | High   | Low   | Close | Chg.  |
| 100              | 100.00 | 99.00 | 99.00 | +1.00 |
| 100              | 100.00 | 99.00 | 99.00 | +1.00 |
| 100              | 100.00 | 99.00 | 99.00 | +1.00 |
| 100              | 100.00 | 99.00 | 99.00 | +1.00 |

## At 3 P.M.: NYSE Trading Active

**United Press International**

**NEW YORK**—After getting off to a roaring start, prices on the New York Stock Exchange turned mixed late Wednesday afternoon in active trading as investors cashed in on profits from recent gains.

The Dow Jones industrial average, up about 7 points at the outset, was off 8.51 to 1,231.22 an hour before the close. It climbed 22.75 to 1,253.97 Tuesday, the highest closing level since it finished at 1,242.88 on Jan. 24.

Through Tuesday, the average had risen 153.16 points since hitting a 17-month low of 1,086.57 on July 24. Its all-time high of 1,287.20 was set on Nov. 29, 1963.

Advances led declines by a ratio of 8 to 7. Volume was about 102.1 million shares, down from 109.3 million in the corresponding period Tuesday.

Analysts said any time the market makes a huge gain in a short period of time it always runs into some profit taking pressure. The blue-chip issues that paced the recent rally were among the hardest hit in profit taking.

William Dailey of Montgomery Securities, San Francisco, said, "the underlying buying power is still there. A lot of portfolio money is around to be invested and I think it will come into the market soon."

"I am not surprised that some profit-taking developed after the first couple of hours," said John Burnett of Donaldson, Lufkin & Jenrette. "Despite that this is still a solid market."

Some selling occurred when the bond market faltered during the afternoon following a published report that said some economists were predicting a rise in inflation later this year.

The government early in the day reported that consumer prices rose 0.3 percent in July following a 0.2 percent increase in June. The figure did not signify a rekindling of inflationary pressures, however.

Bonds had rallied from an early slide on the government's report that durable goods orders rose 2.2 percent in July after falling a revised 3 percent in June. But new orders for nonmilitary capital goods, a barometer of future activity, declined 3.3 percent.

"The economic figures more and more are indicating there is not going to be a recession in 1985, which many observers had anticipated," said Monte Gordon of Dreyfus Corp. "It looks like we will have a soft landing from the first half surge."

Ford Motor was one of the most active NYSE-listed issues following a block of 1,078,500 shares at 46 1/4. General Motors and Chrysler also were active.

MGM Grand Hotel made the list with a block of 853,200 shares crossed at 9 1/4.

AT&T was active along with IBM, which climbed 2 1/2 Tuesday. IBM stock has risen since IBM last week introduced a new personal computer.

American Express, which rose 2 1/2 the previous two sessions, was active and higher.

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12 Month High Low Stock Div. Yld. PE St. 100 High Low Close

| 12 Month High Low Stock Div. Yld. PE St. 100 High Low Close | 12 Month High Low Stock Div. Yld. PE St. 100 High Low Close |
|---|---|
| 1231.22   | 1231.22   |
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## WALL STREET WATCH

### Analysts Are Still at Odds Over Strength of the Rally

By EDWARD ROHRBACH  
International Herald Tribune

The mystique of the stock market, the thing that ranks it right up there with love and poker, is the challenge of figuring out at any one time whether things are falling into place or falling apart.

That was the case exactly a month ago as Wall Street, rejected again by investors, declined below 1,000 on the Dow average. But it turned out to be the bottom of the market's fortunes, as stocks bounced upward in August's astounding outpouring of affection. Skepticism remains, however, and that could be what will keep investors breathing heavily on Wall Street.

"The dominant institutional-investor reactions to the market's sharp advance have been incredulity and fear," said Francis H.M. Kelly, chairman of the investment policy committee at Oppenheimer & Co.

"Some feel the market should have gone down and not up, others that it advanced with unseemly speculative haste. And virtually everyone believes it cannot hold its lofty heights for long."

Mr. Kelly said the "real question" is whether there is a reason for the early-August stampede. Bowing to the market's mysterious ability to anticipate events, he added: "We don't know yet—which is potentially very good news."

"The bullish case depends on short-term ignorance, the bearish case on certainty. The bears know that rates are going to go higher, that a recession is just around the corner, that bonds and bills outrank stocks, that speculation and only speculation is the name of August's game."

Dana Stewart, market analyst at Bear Stearns, also welcomed recent pronouncements of skepticism by many Wall Street strategists on just how sustainable the rally is.

"And so, just when we could use it, when stocks threatened to become radically overbought, we have been served up with a classic 'wall of worry' upon which the bull market can climb. Stocks are going higher, and we think those who are reluctant to participate not only will be hurt in their performance records but risk being forced in higher up."

This wall-of-worry factor, Mr. Stewart explained, basically means that buying on Wall Street will "remain under control" so the rally can avoid "running out of steam too quickly."

"It makes it sustainable," he said. The rally appears to have "enough vigor," he asserted, to achieve new highs "without much difficulty into the 1,300s, and by the beginning of next year there's the distinct possibility of getting into the 1,400s."

WHILE most market analysts have complained that stocks over the year showed no "leadership" sector that might lead Wall Street out of its long downward movement, Mr. Stewart, along with his Bear Stearns' colleague, Lew Smith, cite the performance of "disinflation-benefited" groups.

Food stocks notably, Mr. Stewart said, provided the "flesh and backbone" to this rally. He continued to favor this group, plus these individual issues: Gulf & Western, Penn Central, Deluxe Check Printers, May Department Stores, Taft Broadcasting and Gannett.

Edward M. Kerschner, head of investment policy at Paine Webber, took a less exuberant view of the market's prospects, and one that is widespread on Wall Street.

"There is reason to take advantage of this rally, he declared. But without abandoning all caution and plunging in blindly."

Stock selection should be emphasized, he added, particularly issues that can "participate in any rally, yet have the underlying fundamentals, value and momentum to make them less vulnerable than the average stock in the event of any market pullback."

Mr. Kerschner thinks there is the opportunity now for investors to "redesign" their portfolio to include stocks offering the best potential and weed out issues that could be vulnerable.

In the former category Paine Webber puts American Medical International, Gillette, Hialeah Corp. of America, Humana, Pfizer, Ralston Purina, Embart, Emerson Electric, General Elec.

## CURRENCY RATES

Official foreign exchange rates on Aug. 22, excluding fees.  
EDT.

|           | 1 Unit | 100 Units | 1,000 Units |
|-----------|--------|-----------|-------------|
| Amsterdam | 3.245  | 324.5     | 32,450      |
| Bombay    | 2.27   | 227       | 22,700      |
| London    | 1.00   | 100       | 10,000      |
| Madras    | 2.27   | 227       | 22,700      |
| Mumbai    | 2.27   | 227       | 22,700      |
| New York  | 1.32   | 132       | 13,200      |
| Paris     | 6.46   | 646       | 64,600      |
| Tokyo     | 242.25 | 24,225    | 2,422,500   |
| Zurich    | 2.485  | 248.5     | 24,850      |
| 1 ECU     | 0.757  | 75.7      | 7,570       |
| 1 SDR     | 1.0128 | 101.28    | 10,128      |

|           | 1 Unit | 100 Units | 1,000 Units |
|-----------|--------|-----------|-------------|
| Amsterdam | 3.245  | 324.5     | 32,450      |
| Bombay    | 2.27   | 227       | 22,700      |
| London    | 1.00   | 100       | 10,000      |
| Madras    | 2.27   | 227       | 22,700      |
| Mumbai    | 2.27   | 227       | 22,700      |
| New York  | 1.32   | 132       | 13,200      |
| Paris     | 6.46   | 646       | 64,600      |
| Tokyo     | 242.25 | 24,225    | 2,422,500   |
| Zurich    | 2.485  | 248.5     | 24,850      |
| 1 ECU     | 0.757  | 75.7      | 7,570       |
| 1 SDR     | 1.0128 | 101.28    | 10,128      |

## INTEREST RATES

|           | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|-----------|--------|---------|---------|---------|---------|
| 10% - 11% | 11%    | 11%     | 11%     | 11%     | 11%     |
| 11% - 12% | 12%    | 12%     | 12%     | 12%     | 12%     |
| 12% - 13% | 13%    | 13%     | 13%     | 13%     | 13%     |
| 13% - 14% | 14%    | 14%     | 14%     | 14%     | 14%     |
| 14% - 15% | 15%    | 15%     | 15%     | 15%     | 15%     |

|           | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|-----------|--------|---------|---------|---------|---------|
| 10% - 11% | 11%    | 11%     | 11%     | 11%     | 11%     |
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|           | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
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| 14% - 15% | 15%    | 15%     | 15%     | 15%     | 15%     |

|           | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
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| 14% - 15% | 15%    | 15%     | 15%     | 15%     | 15%     |

|           | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|-----------|--------|---------|---------|---------|---------|
| 10% - 11% | 11%    | 11%     | 11%     | 11%     | 11%     |
| 11% - 12% | 12%    | 12%     | 12%     | 12%     | 12%     |
| 12% - 13% | 13%    | 13%     | 13%     | 13%     | 13%     |
| 13% - 14% | 14%    | 14%     | 14%     | 14%     | 14%     |
| 14% - 15% | 15%    | 15%     | 15%     | 15%     | 15%     |

|           | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|-----------|--------|---------|---------|---------|---------|
| 10% - 11% | 11%    | 11%     | 11%     | 11%     | 11%     |
| 11% - 12% | 12%    | 12%     | 12%     | 12%     | 12%     |
| 12% - 13% | 13%    | 13%     | 13%     | 13%     | 13%     |
| 13% - 14% | 14%    | 14%     | 14%     | 14%     | 14%     |
| 14% - 15% | 15%    | 15%     | 15%     | 15%     | 15%     |

## President Changed At FCA

3-Man Office Is Created

The Associated Press

LOS ANGELES—In an apparent concession to federal regulators, Charles Knapp, the embattled chairman and chief executive of Financial Corp. of America, has coiled his power over day-to-day operation of the giant holding company to a newly created, three-man office of the president, the company said Wednesday.

The action comes one week after FCA, under pressure from the Securities and Exchange Commission, restated its earnings to show a \$75.3-million loss compared with a \$75.3-million profit for the first half of the year.

In addition, FCA has been forced to draw heavily on funds from the Federal Home Loan Bank's regional office in San Francisco to offset withdrawals by worried depositors. And earlier this week, FCA sold a 7-million-share block of stock in American Express Co. to raise \$222.3 million.

On Tuesday, Standard & Poor's Corp., a leading business information service, said it was considering lowering its rating on FCA's bonds sold by FCA.

S&P said it had placed FCA on its CreditWatch list "with negative implications." Such a listing indicates a bond rating is being reviewed for a possible downgrade. FCA is the parent of Stockton, California-based American Savings & Loan Association, the largest in the United States. American has deposits of \$24.5 billion.

In a brief announcement Wednesday, FCA announced that it had named three of its senior executives to a new office of the president.

Mr. Knapp will continue to serve in his capacity as chairman and chief executive officer. However, he will concentrate on corporate planning and strategy while three officers of Financial Corp., John K. Darr, Philip R. Brinkerhoff and Arthur L. Shingler will share the presidency as co-chief operating officers.

Mr. Darr, Mr. Brinkerhoff and Mr. Shingler will assume all day-to-day operations.

FCA has been without a president since the company early last year bought First Charter Financial Corp. and its healthy American Savings subsidiary for \$915 million in cash and stock.

Mr. Knapp, 49, is generally believed to have run FCA virtually singlehandedly, although at a press conference last week he brushed off such suggestions, saying, "FCA is not a one-man show. We have a fine management team here."

He will retain his titles of chairman and chief executive, but he will now "concentrate on corporate planning and strategy," the company said.

Because of FCA's current problems, it has been widely reported that federal regulators may seek to force Mr. Knapp to step aside at least as chief executive.

Mr. Knapp's bold moves, such as relying heavily on more costly and volatile institutional depositors, helped American to become the nation's largest S&L, surpassing Home Savings of America, which had held that title for a quarter of a century.

## Citroën Workers Endorse Company's Lay-Off Plan

Reuters

PARIS—Workers representatives at Citroën, the French automaker, overwhelmingly approved a controversial lay-off scheme for the financially troubled Peugeot SA subsidiary Wednesday.

But the go-ahead for Citroën to lay off 2,417 of its 43,000 workers must await final approval by the Socialist government of President François Mitterrand, company and union officials said.

Earlier Wednesday, Henri Kruski, leader of the Communist-led General Confederation of Labor, or CGT, which boycotted Wednesday's meeting at Citroën, said the union opposed the lay-off plan and called for "real negotiations" before any job cuts are decided for the French auto industry.

It was unclear if the opposition by the CGT, France's biggest union, would affect the government decision on Citroën. Government and industry sources noted that extensive job cuts in other heavy industries had been approved in spite of CGT opposition.

A spokesman for the labor minister, Michel Delabarre, said the government's response to Citroën's lay-off plan could come this week.

The Citroën plan is generally regarded as the start of an industry-wide effort to streamline and modernize operations at Peugeot and state-owned Renault to try to reverse shrinking sales and heavy financial losses at both companies. The government, which is com-

## France's 'Red Millionaire' Prospers

Doumeng Sticks To Party Line And Lives Well

By Paul Lewis

PARIS—Jean-Baptiste Doumeng owns a stable of thoroughbred horses, a Learjet that takes him around the world and a large working farm in southwestern France, complete with villa and swimming pool. In Paris, he dines frequently at Maxim's and the impeccably tailored, conservatively cut suits that cover his portly frame are obviously expensive.

These trappings would hardly draw notice in a successful executive, and Mr. Doumeng certainly fits that bill. But he is more than that. The 64-year-old son of a poor sharecropper is also France's richest Communist, a man who has played a trading relationship with the Soviet bloc into a vast personal fortune.

But lately those business and personal ties to the Soviet Union, coupled with the swirling controversies that typically surround him, have proved to be a source of concern and embarrassment to France's Socialist government, which once seemed to be his natural ally but now serves as a target for his criticism as it backs away from Socialist programs.

His company, Interagra, one of the largest in France, is a sprawling private agribusiness and trading empire that Mr. Doumeng says makes him Europe's biggest dealer in food and agricultural goods.

Interagra buys, swaps and sells a vast range of goods ranging from food to tropical hardwoods, does business in 65 countries and is now moving heavily into trade with Africa, according to Mr. Doumeng. He would not discuss Interagra's size, but last year told an interviewer that Interagra would have total sales of 20 billion francs that year—\$2.26 billion at current exchange rates—and a profit of between \$4.5 million and \$5.6 million, twice the previous year's level. About one-third of its revenue comes from trading with the Eastern bloc, he said.

"I take what opportunities I can to make money anywhere," Mr. Doumeng says with no hint of apology for his wealth or life style. In his mind, there is no contradiction between his political beliefs and his vast fortune. In fact, he says, "Communism will make everyone as rich as me."

Long known in the press as the "Red Millionaire," the florid-faced Mr. Doumeng is roughly the French equivalent of a Cyrus Eaton or an Armand Hammer, wealthy American businessmen who were not Communists but became well known for their trading ties and personal contacts with the Soviet Union. One of Mr. Doumeng's most recent transactions involved selling 1,800 tons of inexpensive table wine to the Soviet Union in late July, a transaction welcomed by France's Socialist government and the French wine industry, which is now sitting on a record surplus of low-quality table wine.

This year, his company is expected to sell the Soviet Union about \$280 million of French surplus foodstuffs—1.5 million tons of wheat, 120,000 tons of flour and 50,000 tons of meat. The value of these sales comes to about half of France's total annual wheat exports. In any other country struggling as desperately as France is to close its trade gap, export contracts like that would warrant national acclaim.

But late last year, just as Mr. Doumeng was signing those accords, Le Canard Enchaîné, a French satirical weekly, contended that the new government had slashed a \$4.3-million Doumeng bill for back taxes to \$250,000. The article implied that the Socialist-Communist government was giving preferential treatment to one of its most ardent supporters. An embarrassed government ordered an audit of Mr. Doumeng and said he would pay an undisclosed additional sum in back taxes.

While the tax case was splashed all over the French press, Foreign Trade Minister Edith Cresson decided it was politically prudent to distance the government in public from Mr. Doumeng. She got her chance last November in Moscow when he tried to gate-crash a meeting with the Soviet trade authorities. "Leave the room before you cause an incident," she told him in a furious stage whisper. (Continued on Page 13, Col. 3)



Jean-Baptiste Doumeng at a horse show on his estate.

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## Stock-Index Options Expected to Fade Amid Market Rally

By James Sterngold

NEW YORK—Stock-index options enjoyed record volume in the stock market's recent bull run. The activity encouraged those who predict that index options will eventually become an indispensable tool for equity investors.

However, there are still plenty of sophisticated investors who consider them poor cousins to underlying equities. As a result, some market experts expect index-option activity to decline if the rally persists. They reason that there is a stubborn preference for buying stocks outright, particularly among institutions and portfolio managers.

"If the market remains bullish it will retard growth in the use of index options," said Lee R. Coe, a Merrill Lynch & Co. vice president. "Historically, portfolio managers

want to own the underlying stocks."

Still, the growth to index options has been impressive. The Chicago Board Options Exchange's option on the Standard & Poor's 100 index, the first and most popular index option, had record volume of 606,338 contracts on Aug. 3.

And those involved in marketing these products are still confident they will be accepted. "We have been astounded at the interest in them," said David Bosnian, president of Bosnian Research Associates, a funds manager and adviser.

Scott Smith, a vice president of Chicago Corp., a broker and clearing agent for the options markets, said: "What it all boils down to is maximum use of capital. You can achieve much greater efficiency using these instruments than just dealing in the straight equities. This business is changing very fast. Ei-

ther the oldtimers will join the bandwagon or get left behind."

An option is the right, not obligation, to purchase an underlying security at a predetermined price for a specified period of time. If the underlying security rises, the option will normally increase in value.

An investor buying an option risks only the option's price, or premium. And while an option is inherently risky because the total premium is often at stake, and an option tends to lose value over the length of the option contract, some investors like options because they cost a fraction of what the underlying securities would cost, and the risk is limited to the cost of the option.

Moreover, the potential gain, as a percentage, is much greater than when buying securities themselves. A stock-index option allows an investor to buy a contract on a

whole spectrum of stocks. If the underlying index rises, the index option rises. Index options, like stock options, come in "calls," which is a bet that the index will go up, and "puts," which is a bet the index will go down.

The CBOE's 100-index option is tied to the basket of 100 stocks in that index. The CBOE also offers an option based on the S&P 500. Other exchanges have options based on other indexes.

A plethora of similar instruments have been introduced, including index futures, options on the futures and options based on narrower market sectors, such as transportation or computer stocks. This has prompted many to complain that their growing numbers just confuse investors.

Joseph Schwaba, a Prudential-Bache Securities Inc. first vice president, emphasized the role of index

options in market timing for portfolio managers, since the user can take part in movements without the difficulty of buying or selling millions of dollars in stocks.

"In August 1982, it took some managers weeks to get their money in," he said, referring to the market's last major upturn. "If they had had the index options or futures, they could have gotten in right away, which you can do now."

Much of this talk is lost on traditional portfolio managers, who consider themselves long-term investors without the need for a short-term tool.

John McCarthy, a managing partner of Lord Abbott & Co., who oversees portfolios of about \$2 billion, said he does not use index options. "We pick stocks for the long-term, so we haven't felt pressure to move into this area," he said.

## Oil Firms Bid For Key Projects In Beaufort Sea

The Associated Press

ANCHORAGE, Alaska—Bidding by major oil companies started Wednesday in the largest-ever oil and natural-gas lease sale in Alaska's Beaufort Sea.

The offering of more than 8 million offshore acres (32 million hectares) that may contain as many as 3 billion barrels of recoverable oil was the first test of industry feelings for the area since major losses in December on a dry hole at Mukluk Island in the Beaufort.

Alan Powers, Alaska director of the U.S. Minerals Management Service, said oil companies have shown strong interest in the sale.

Bidders will be required to offer a minimum of \$150 an acre for 10-year leases, plus a fixed royalty on any hydrocarbons that are produced. On tracts subject to federal-state disputes, the royalty will be 16.67 percent.

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# Wednesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street

12 Month High Low Stock Div. Yld. PE 52-Week High Low Stock Div. Yld. PE

(Continued from Page 8)

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BUSINESS ROUNDUP

# Toyota Is Seen With Record Profits, Sales

**By Robert A. Bennett**  
*New York Times Service*  
**NEW YORK** — A program instituted about three weeks ago at Citicorp, which has asked 2,500 of its officers to try to find ways to cut costs as much as 40 percent by the end of the year, is giving people within the banking company a bad case of jitters.

A Citicorp spokesman, Susan Weeks, acknowledged Tuesday that the program — dubbed Operation Delta — was in force, but she declared that its primary purpose was to set priorities, not to reduce costs.

Nonetheless, some banking executives have become anxious about their future. "I'm going to talk to some headhunters," said one.

In addition, many resent the demands that Operation Delta puts on their time and patience. They are expected to record everything they do, with the resulting time sheets forming a basis for cost-cutting.

The project is linked by many people at Citicorp to the new rule of John S. Reed, who earlier this summer was named to succeed Walter B. Wriston as Citicorp's chairman, even though the plan was formulated six months ago when Mr. Wriston was still firmly in charge.

Mr. Wriston's retirement becomes official at the end of this month, but he has been away from the bank since early August when he went on vacation.

Mr. Reed is well remembered within Citicorp for the way he ruthlessly reorganized its operations department in the early 1970s.

"This could be John Reed putting his imprint on the bank," said Lawrence W. Cohn, first vice president and senior bank-stock analyst at Dean Witter Reynolds. "He made his initial reputation by automating the back office and cutting costs."

"Citicorp's second-quarter expenses came in well above budget," Mr. Cohn said, "and my understanding is that when management saw those second-quarter expenses it started telling the troops this was not acceptable."

The areas within Citicorp that provide general services for the entire corporation and its main subsidiary, Citibank, would be most seriously affected — especially personnel administration, public relations and the legal and financial staffs.

If the bank were to succeed in trimming the expenses of these sectors by 40 percent, the pretax effect would be about \$100 million — an amount significant even for Citicorp, the biggest banking organization in the United States, which earned \$860 million last year.

## Electrical Sales Fall in Germany

**FRANKFURT** — Orders for the West German electrical industry fell 2.5 percent in June compared with a year earlier, the industry association, ZVEI, said Wednesday.

Sales were 10 percent lower than the year-earlier level, according to the association, which blamed the seven-week metalworkers' strike for the decline.

However, incoming orders over the first six months of 1984 rose by 12 percent compared with the year-earlier period, with export contracts up 19 percent and domestic orders up 9.4 percent. Sales in the first half rose 7.6 percent from a year earlier.

## Experts at Odds Over Rally

(Continued from Page 9)

IBM, United Technologies, Westinghouse Electric, Royal Dutch, American Express, Bankers Trust, Texas Commerce Bankshares, Baltimore Gas & Electric, Commonwealth Edison and Consolidated Edison.

Stocks the firm judges "unattractive" include Baxter Travenol, Merck, Cincinnati Milacron, Cross & Trecker, Du Pont, Frequent Minerals, Union Carbide, U.S. Steel, Weyerhaeuser, Noble Affiliates, Ocean Drilling Equipment, AMR Corp., Consolidated Freight, Delta, Northwest Airlines and Steward.

"The Independent," a London market advisory letter edited by Gian-Luca J. de Francisci, disputes the contention that this rally is the long-awaited second leg of the bull market.

"The odds favor the spectacular rally now in progress being a bull trap — in other words a rally in a bear market."

Stocks he advises selling short or buying put options against include Advanced Micro Devices, Brown-Ferris, Chase Manhattan, Citicorp, GCA Corp., General Instrument, Great Western Financial, Holiday Inns, Humana, Limited Inc., Lockheed, Loral, M/A-Com, J.P. Morgan, Syntex and Wal-Mart.

However, Mr. de Francisci predicted that many stocks will be able to buck the bear trend or at least outperform the market. His new buy recommendations are BellSouth, H. & R. Block, Carson Pige Scott, City Investing, Dun & Bradstreet, E.F. Hutton, IC Industries, Jefferson-Pilot, McLean Industries, Merrill Lynch, Northern Telecom, Procter & Gamble, R.J. Reynolds and Taft Broadcasting.

## UPI Planning More Layoffs

**WASHINGTON** — United Press International will lay off a large number of noneditorial employees as part of a major cost-cutting effort designed to save the company, Luis Nogales, UPI general manager, has said.

Mr. Nogales said Tuesday that the current round of layoffs is likely to include a significant number of noneditorial employees — possibly as many as the 100 editorial workers whose layoffs already have been announced. UPI has approximately 2,000 employees.

The layoffs, combined with expected contract concessions and other cost-cutting measures, should put the company in the black by the end of the year, Mr. Nogales said. As previously reported, rumors at UPI that the staff could be reduced by from 5 to 15 percent were dismissed by management, who called the figures too high.

## Supply of New Cars in U.S. Is Running Short

**By Daniel F. Cuff**  
*New York Times Service*  
**NEW YORK** — New cars are in short supply in the United States, creating a seller's market for dealers at a time of year when they traditionally are trying to unload stocks to make way for the new model year.

"It's not as easy to shop around," said Harvey Heimbach, a Merrill Lynch analyst. "Dealers are not wheeling and dealing and you are not getting the typical end-of-model-year fire sales."

The situation is tight for domestic cars and worse for imports. "For all practical purposes, the import dealers are sold out," said David Healy, an analyst at Drexel Burnham Lambert.

The import situation is worse for two reasons, Mr. Heimbach said. The quota on Japanese imports leaves dealers with a period of time where demand exceeds the ability to supply, while strikes in West Germany this summer cut down on the supply of such luxury imports as Mercedes-Benz, Audi and BMW.

Lou Fusz Jr., whose Fusz Motors in the St. Louis area sells Datsun, Toyota, Mazda and Subaru cars, said Japanese imports were always in short supply.

"We've got two trucks and one car on the lot, and that's all," he said. "We're just about ready to get a new shipment and that's already 85 percent sold."

Mr. Fusz also sells Pontiacs and Dodges and added that these domestic cars were also in short supply, compared with the heavy inventories of the last couple of years. Particularly scarce were the Pontiac Fiero and the Dodge mini-van, he said.

For the dealer, he said, "Two many cars on hand is bad, and too few cars is also bad."

For the buyer, when cars are scarce, pricing is firm and special-price arrangements are few. Import dealers have been able to find buyers who will pay above the sticker price. "They are not doing the unit volume but their per unit price looks pretty nice," Mr. Heimbach said of the import dealers.

Sales may be held down for the next few months in the domestic industry, analysts said, because many buyers who cannot find the models and colors they want may decide to wait until the 1985 cars come out later in the fall.

The effect on sales has already been detected in the reports for the first 10 days of August, when domestic sales dipped 0.8 percent, the first year-to-year decline in 1984.

The shortage of domestic cars arose because the industry has been selling more than it could produce. Inventory is also being cut by plant shutdowns for change-over to the new model year.

Thus, although the domestic industry has been producing cars at capacity, it ended July with only a 47-day supply on hand. "Normally the supply would be more on the order of 55 or 60 days," Mr. Healy said.

Imports were down to a 23-day supply. Before Japanese import quotas, inventories for foreign cars as a whole ran well over 60 days, the analysts said.

The shortage of domestic inventory comes just when the industry normally would be building a big backlog to see it through should there be a strike.

Labor contracts expire next month at General Motors Corp. and Ford Motor Co. "and a lack of inventory at dealers makes it more difficult for the companies going into the negotiations," Mr. Heimbach said. "The strike threat hurts more when there's no buffer of stocks."

## Specialty-Food Firm Rejects Sale to Pillsbury

**PEORIA, Ill.** — Pillsbury Co.'s proposed buyout of Joan of Arc Co., a leading U.S. producer of specialty canned foods, has been called off by Joan of Arc's directors, its board chairman says.

Robert H. Truitt, Joan of Arc chairman, declined to say Tuesday why the company's directors decided not to go ahead with the merger. When the transaction was announced last month, an executive of Minneapolis-based Pillsbury said his company was "pleased that Joan of Arc has decided to become a member of Pillsbury's family."

## COMPANY NOTES

Amex Inc. has been given the option to negotiate an agreement with Chile's State Development Corp. on a \$210-million project for mining potassium salts, boric acid and lithium in the northern Atacama Desert, the corporation said.

Amex has proposed a joint venture with Molibdeno y Metales de Chile and the state corporation.

Ballast Nedam Groep NV said it received an order worth \$90 million from the Saudi Arabian Ministry of Finance and National Economy to build customs facilities. These will be built on the causeway linking the kingdom and Bahrain, a \$600-million project also carried out by Ballast Nedam.

Carlton & United Breweries a unit of Elders DXL Ltd. of Australia, said it will offer to convert most of its wholly owned public houses in Victoria into 50-50 joint ventures with the present tenants. Analysts said the proposal is aimed at releasing an initial 100 million Australian dollars (\$85.5 million) for Elders from its assets, while retaining Carlton's main distribution network.

LTV Steel Co. closed a seamless pipe stretch-reduction line at its Campbell Works, Ohio, and blamed layoffs of 250 workers on rising imports. The finishing units associated with the stretch-reduction line will be idled indefinitely also, the company said.

Mitsubishi Corp. will make a one-for-10 bonus issue on Nov. 20 for shareholders registered on Sept. 29 to mark its 30th anniversary, a company spokesman said. The issue will raise its capital to 1.40 billion shares worth 70.16 billion yen (\$290 million) from 1.28 billion worth 63.79 billion yen as of July 31.

Pan American World Airways is planning to float a convertible bond issue on the Swiss capital market, the prospective lead manager, Soditic SA said. A Soditic spokesman said it would be Pan

Am's first issue on the Swiss market.

Philippe Holzmann AG, the West German construction group, said incoming orders are lower in almost all areas so far this year but a satisfactory profit is still expected for 1984.

Sun Life Assurance Society PLC said it is recommending a partial offer to acquire not less than 30 percent and not more than 50 percent of the issued share capital of its marketing associate, Sun Life Unit Services Ltd. Sun Life Unit directors will recommend the offer to shareholders. The bid values Sun Life Unit shares at \$11.3 million (\$14.7 million).

| Gold Options (Option in \$100) |      |      |      |      |
|--------------------------------|------|------|------|------|
| Month                          | Aug  | Sept | Oct  | Nov  |
| 300                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 350                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 400                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 450                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 500                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 550                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 600                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 650                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 700                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 750                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 800                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 850                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 900                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 950                            | 7.50 | 7.50 | 7.50 | 7.50 |
| 1000                           | 7.50 | 7.50 | 7.50 | 7.50 |

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## ART BUCHWALD

## After-Class 'Religion'

WASHINGTON—Just before going off to Texas the president signed one of his favorite bits of legislation, the one permitting students to use public schools after hours to hold prayer meetings and other religious activities.

The president was so excited to have such a law that he failed to read the small print in the bill. Any student organization can use the classrooms, when school is not in session, for extracurricular activities, religious or otherwise, without interference from the school board.

What started out as a victory for conservative prayer-in-school organizations has now become a can of worms for school officials. Students have already lined up at the Gary Slaughter High School to book their rooms for the fall term.

The first one to apply for space after school was Timothy Higgins, president of the Friends of Jerry Falwell Bible Study Class.

The principal, now backed by the federal law, said, "You can have Room 167 from 3 to 6 every Thursday, Timothy."

"God bless you, sir," said Timothy.

The next one to apply was Elvis Gregory, who said he represented the Disciples of Reverend Moon.

The principal became flustered. "Are you going to use our classroom for prayers?"

"I don't have to tell you what we're using the classroom for."

"All right, you can have Room 234, but no collecting money in the hall."

"The Reverend Moon blesses you."

"Get out of here."

The third student to apply was Marian Bechert.

"My group would like a classroom after school."

The principal smiled. Marian was an outstanding student. "Of course. What group are you representing?"

"The Daughters of American Atheists," Marian replied. "There is no God and the sooner the students learn it the better off they will be."

"You're not going to use my classroom to preach atheism?" the principal shouted. "What kind of public school do you think this is?"

"Before you say no, I should warn you our lawyer is prepared to take you to court to see we get our room."

"You can have Lecture Hall B in the basement next to the boiler."

"It's pretty hot down there."

"So is hell, and you people might as well get used to it."

The principal knew he was in trouble when a student known as "Fidel the Fearless," dressed in army fatigues, came in.

"Buenos dias," Fidel said. "I would like headquarters for my cell."

"What cell?"

"The First of May Teen-agers for a Marxist Revolution, Cadre 189."

"I can't give a classroom to a Communist front organization."

"We're out a Communist front organization. We're Communists."

"We'd like a big classroom, as we expect to recruit from the down-trodden and persecuted students who have been corrupted by your American school system."

At the end of the day the principal called the school board president. "This place is a madhouse. I've had to give classrooms to atheists, Communists, Hell's Angels, Sons of the Ku Klux Klan and the Americans for Cheaper Marijuana Club. Do I have to go along with all this?"

"We have no choice. It's the only way Reagan could get prayer back in schools."

## John Goddard's Quest for Adventure

By Steve Harvey

Los Angeles Times Service

LOS ANGELES — At 15, an avid reader and daydreamer named John Goddard made a "blueprint for life" of 127 goals, including:

- Retrace the route of Marco Polo

- Dive in a submarine

- Milk a poisonous snake

- Take off from and land on an aircraft carrier

- Appear in a Tarzan movie

- Appear in a Tarzan movie?

- "Actually, I only put that down because I thought Tarzan movies were filmed in Africa, and Africa was the place I wanted to see most," Goddard, now 59, recalled the other day.

His movie career never got on track, but the soft-spoken adventurer has seen most of Africa, and everywhere else, visiting 120 countries, traversing 15 rivers, including the Nile, and climbing 12 major peaks. He also accomplished his first four goals.

In all, he has achieved 107 of his dreams, the latest of which was visiting the Great Wall of China.

"I'm one of those people who needs a structured plan, something to strive for," he said in his home near Los Angeles. "Plus, when I was young, I'd heard too many adults talk of things they wished they'd done when they were young."

Now he was sitting in his den, the walls alive with reminders of the wilds: a 15-foot (4.5-meter) python skin, the multicolored head of a Balinese weaver, a 12th-century bronze opium weight from Burma, a steel mass spear made from a British railroad track, a dagger purchased from a Pakistani bandit for \$60 and, somewhat incongruously, a photo of Goddard riding a horse in the 1981 Tournament of Roses Parade.

Yes, he survived the traffic jam after the parade.

In truth, some of the first goals that Goddard achieved were less than dardereel but seemed important at the time: weigh 175 pounds stripped (at 15) was pretty skinny then, about 157, become an Eagle Scout, visit a movie studio, type 50 words a minute, long-jump 15 feet.

To subsequent years, however, he survived the bite of a diamond-back snake in the Congo, a hippopotamus attack (recounted in his book, "Kayaks Down the Nile"), a wart hog assault in Zimbabwe, a blizzard on the Matterhorn, a sandstorm in the Sudan, three bouts with quicksand ("It isn't quite as dangerous as the movies make it out to be; I only sank down to my armpits once") and three plane crashes.

But not all the endings were happy. A partner, Jack Yowell, drowned in 1956 during an attempt by the two to kayak the length of the Congo River. Goddard said he was stunned by the death but peddled on alone because he and Yowell had agreed beforehand that one of them would complete the journey if something happened to the other.

A member of the Royal Geographic Society and the Adventure Club of Los Angeles and a recipient of the Encyclopedia Britannica's "Achievement in Life" award, Goddard spends part of the year trekking through



Adventurer Goddard with some of his mementos.

the wilds of such outposts as Chicago, New York, Des Moines and Peoria, delivering 200 presentations a year on his adventures.

Corporations pay him to deliver motivational talks to executives so they can survive in the corporate jungle.

While many of Goddard's feats have a breathtaking quality about them, his list reflects an attempt to test the mind as well as the body. His other accomplishments include playing "Clair de Lune" on the piano, reading the Bible from cover to cover, learning French, Spanish and Arabic, studying medicine (he says he has witnessed more than 250 operations) and studying primitive cultures.

"Adventure is exciting, but it's secondary to the scientific exploration, the knowledge gained," he said.

Goddard has achieved several of his objectives more than once, including No. 126, "marry and have children." He has married three times and has five children.

With the passage of years, he found his list too limiting. So he thought up new challenges, such

as fighting a bull (either man nor beast drew blood during a half-hour bout in Colombia) and riding a killer whale at Sea Life Park in Honolulu ("I straddled its head with my legs; it felt like wet rubber").

Of course, there are still those 20 unfulfilled dreams on the boyhood list.

Goddard, whose 127th goal is to live to see the year 2000 (he would be 75 then), admits that he may have overreached with some of his remaining objectives, such as climbing Mount Everest, reading the entire Encyclopedia Britannica, visiting every country in the world ("there are too many little principalities") and walking on the moon.

"But even if I don't do all of them, I've had a life of excitement and knowledge, which is what I set out to have," he said.

With that, he was forced to end the interview because he had promised to take one of his daughters to explore Magic Mountain amusement park.

Goddard did not look worried. Conquering Magic Mountain is not on his list.

## PEOPLE

## Freed Briton Is Home

Richard Knight, a British treasure hunter, arrived back in London Tuesday night and said his 14 months in a jail near Ho Chi Minh City were "no holiday camp."

Knight and three companions were arrested while exploring Vietnamese waters in June 1983 on a search for the treasures of the 17th-century Scottish pirate Captain William Kidd. The Vietnamese held them on charges of illegal entry. At London's Heathrow Airport, Knight, 48, said, "I just want to forget about it. I am O.K. physically—just a little tired and drained. I am looking forward to a cup of tea, a pint of beer, baked beans on toast, fish and chips."

Knight and his three companions were released after a payment of \$10,000 collected by former school friends and sympathizers. A 19-year-old American colleague on the expedition, Frederick Graham Jr., was released in May after his family paid \$10,000. Two other members of the expedition, both from Thailand, reportedly remain in jail.

Pope John Paul II has named Archbishop John P. Foley of Philadelphia to head the board of directors of the Vatican's television production center, the Vatican announced. Foley was named last May to head the Vatican's new operations as president of the Pontifical Commission for Social Communications. Now he also is president of the nine-member board of church and lay people that controls the Vatican Television Center, officially known by its Latin name, Centrum Televisivum Vaticanum.

The Vatican created the television center last year as the first step toward what church officials said could one day be a full-fledged television station. Currently the center produces and distributes religious television programming, mainly of the pope's travels.

Bjorn Borg of Sweden, five-time champion of Wimbledon, and his wife of four years, Mariana Simionescu, plan to file for divorce. The decision was mutual and the divorce will not be contested, said John Weil of the International Management Group, which manages Borg, Borg and Simionescu were married July 1980 in Bucharest in a big social event of the

tennis year. The two live in Monte Carlo and both of them will continue to reside there after the divorce, which should become final this fall, Weil said.

Writing "You made my day" along with his signature in the wet cement at Mann's Chinese Theater, Clint Eastwood dropped his "Dirty Harry" image to smile and shake hands with fans. Eastwood, greeted by a cheering crowd along Hollywood Boulevard in Los Angeles Tuesday, was accompanied by his longtime companion and frequent costar, Sondra Locke, and his son, Kyle, 16, and his daughter, Alison, 12. Eastwood, 54, roamed through the crowd and greeted fans before the brief ceremonies at the movie theater. "When I was a kid I used to come to this theater, and now I'm proud to be part of its history," Eastwood said before writing his name and "You made my day" and putting his handprint in the wet cement. Eastwood's latest film, "Tightrope," topped the weekend U.S. box-office gross in its debut week with \$9.1 million. Eastwood is best known for his portrayal of "Dirty Harry" Callahan, a San Francisco police inspector who is feared by some and loved by others. "Go ahead—make my day" and "Do you feel lucky, punk?" Eastwood was the 16th Hollywood personality to sign the cement in front of the theater.

Peter Gimbel said Tuesday that the bank safe his expedition recovered from the sunken luxury liner Andrea Doria has yielded enough American currency to make a stack more than 5 feet high. Gimbel said it took more than 24 hours after the opening of the safe to find everything in it. The safe was recovered in 1981 from the Andrea Doria, which collided off Nantucket, Massachusetts, with the Swedish liner Stockholm July 25, 1956, and sank with the loss of 52 lives. "Since all the currency is tightly packed and the individual bills are stuck together, it is impossible to determine the exact amount at this time," Gimbel said. "However, the sheer number would indicate a face value in excess of \$100,000. Of course, their value to collectors is far greater than the face value."

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